



PARKS CANADA AGENCY

PERFORMANCE REPORT

*for the period ending
March 31, 2007*



John Baird

APPROVED
MINISTER OF THE ENVIRONMENT
JOHN BAIRD



Parks
Canada

Parcs
Canada

Canada

Serving Canadians

THE
PARKS CANADA
CHARTER

OUR MANDATE

On behalf of the people of Canada, we protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

OUR ROLE

We are guardians of the national parks, the national historic sites and the national marine conservation areas of Canada.

We are guides to visitors from around the world, opening doors to places of discovery and learning, reflection and recreation.

We are partners, building on the rich traditions of our Aboriginal people, the strength of our diverse cultures and our commitments to the international community.

We are storytellers, recounting the history of our land and our people — the stories of Canada.

OUR COMMITMENTS

To protect, as a first priority, the natural and cultural heritage of our special places and ensure that they remain healthy and whole.

To present the beauty and significance of our natural world and to chronicle the human determination and ingenuity which have shaped our nation.

To celebrate the legacy of visionary Canadians whose passion and knowledge have inspired the character and values of our country.

To serve Canadians, working together to achieve excellence guided by values of competence, respect and fairness.

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Animator
Lower Fort Garry
NHS (MB)
by D.Dealy, 2002

Puffin
Terra Nova NP (NL)
by Max Finkelstein, 1980

Flowers
Ukkusiksalik NP (NU)
by L. Narraway, 2005

Presentation
Aberdeen Pavilion
NHS (ON)
by J. Butterill, 1994

Bottom Landscape

Snowy Mountain, Mount Revelstoke National Park of Canada (Parks Canada)
Lake and mountains (Parks Canada)
Motherwell Homestead National Historic Site of Canada (Parks Canada)
Fortress of Louisbourg National Historic Site of Canada (Parks Canada)
Château Frontenac National Historic Site of Canada (P. St.-Jacques, 1994)
Fall foliage (Parks Canada, Michael Wood, 1997)
Waves (Parks Canada, André Cornellier, 1991)

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www.parks canada.gc.ca

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MINISTER'S MESSAGE



As the Minister responsible for the Parks Canada Agency, I am pleased to present this annual report to update Canadians on our progress over the past year. I am proud of the way in which the Agency and its dedicated personnel have carried out their important

mission of protecting and presenting our natural and cultural heritage, so that it can be experienced and appreciated by all Canadians.

Our national parks, national historic sites and national marine conservation areas play host to more than 20 million people from around the world each year. Maintaining the historic and ecological integrity of Canada's heritage places is among the Agency's key priorities. Parks Canada also made significant progress in "greening" its own operations and vehicle fleet, and in minimizing the environmental impacts of its activities.

In 2006-2007 Parks Canada continued to make real progress to establish new national parks and

national marine conservation areas. Once again, Parks Canada's dedicated and highly professional staff, with the active participation of Canadians from all walks of life, played a key role in achieving the sustainable development and heritage conservation goals of the Government of Canada.

Our heritage sites—both natural and cultural—have an enormous impact on our relationship with Aboriginal peoples. Through Parks Canada, our Government continues to work hand-in-hand with the Aboriginal community to properly manage and preserve our national parks and shared heritage.

Our Government is investing to improve the condition of heritage assets, repairing and replacing visitor facilities and capital assets and improving the ecological health of our national parks. Our goal is to open the eyes of our visitors to the beauty of these fragile places and impress upon them the importance of their preservation.

I am greatly encouraged by all that Parks Canada has been able to accomplish in 2006-2007. I am confident in the Government of Canada's ability to meet the heritage challenges that confront us, and to realize the full potential of our magnificent heritage resources.

A handwritten signature in dark ink, reading "John Baird".

The Honourable John Baird
Minister of the Environment

CHIEF EXECUTIVE OFFICER'S MESSAGE



I am proud to submit this Annual Report, highlighting the achievements of the Parks Canada Agency from April 1, 2006 to March 31, 2007. The results presented in the 2006-2007 Annual Report build on the successes described in previous annual reports.

Again this year, we have made progress in advancing the identification and protection of the rich natural and cultural heritage shared by all Canadians. We have continued our efforts to engage more and more Canadians in the preservation and presentation of these special places, especially through our efforts to ensure that Canadians, visitors and stakeholders appreciate the significance of these national heritage places, and support their protection and enjoyment opportunities.

And we achieved all of this in the context of tremendous and complex challenges brought about by various internal and external factors such as the changing demographics, the increased population's interest in environmental issues and the importance we grant to local communities' involvement.

More challenges await us, but as this report clearly demonstrates, the Agency's team has proven its dedication towards achieving lasting results.

More than a mission, protecting and telling the story of Canada and presenting the precious natural and cultural treasures of Canada is a privilege that the Agency takes very seriously and a responsibility that we embrace with pride.

Parks Canada's ability to offer Canadians a wide array of opportunities for memorable experiences – with one of the finest and most extensive system of national parks, national marine conservation areas and national historic sites in the world – is largely attributable to the dedication and excellent work of all the people who are part of the Parks Canada family—the employees and partners who, across the country, truly make Canada a great place to live.

A stylized, handwritten signature in dark ink, appearing to read 'Alan Latourelle'.

Alan Latourelle
Chief Executive Officer

SECTION 1: PARKS CANADA OVERVIEW

This section demonstrates that the Parks Canada Agency fits within the overall Government policy agenda and describes the Agency's mandate, key legislative framework, major systems and programs, the fundamental challenges and opportunities facing the organization, and selected results and progress against specific key planned results and performance expectations.

Parks Canada's Mandate

"On behalf of the people of Canada, we protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations."

Role in Government

The Parks Canada Agency plays a key role in achieving the Government of Canada's sustainable development and heritage conservation goals (see Parks Canada's Sustainable Development Strategy in the Library Section of the Agency's website, www.pc.gc.ca).

With an annual budget of approximately \$600 million and 5,400 employees (1600 seasonal) located in more than 460 communities across Canada, Parks Canada protects and presents representative examples of Canada's natural and cultural heritage places from sea to sea to sea.

Key Legislation

In December 1998, Parliament passed the *Parks Canada Agency Act* that established Parks Canada as a Separate Service Government of Canada Agency. In 2000, Parliament passed the *Canada National Parks Act*. This Act modernized Parks Canada's historic role recognizing the importance of education and visitor experience within the Parks Canada mandate, and the role they play in protecting Canada's national, natural heritage, through a system of national parks, for future generations. In a similar fashion, the *Canada National Marine Conservation Areas Act* of 2002 called for the creation of a system of marine conservation areas representative of the country's oceanic and Great Lakes waters.

Responsibility for the Parks Canada Agency rests with the Minister of the Environment. Parks Canada is a Separate Service Agency, and its Chief Executive Officer reports directly to the Minister of the Environment. Legislation (Bill C-7) establishing Parks Canada's reporting relationship to the Minister of the Environment came into force in 2004-2005.

The authorities for the programs for which Parks Canada is responsible are derived from the *Parks Canada Agency Act*, the *National Parks Act*, the *Historic Sites and Monuments Act*, the *Canada National Marine Conservation Areas Act*, the *Department of Transport Act*, and the *Heritage Railway Stations Protection Act*.

Systems and Programs

For more than a century, the Government of Canada has been involved in protecting and presenting Canada's outstanding natural and cultural heritage. Parks Canada manages three major systems:

- System of National Parks of Canada;
- System of National Historic Sites of Canada; and
- System of National Marine Conservation Areas of Canada.

Parks Canada directs or coordinates activities that conserve other specific aspects of Canada's heritage:

- Historic Places Initiative;
- Federal Heritage Buildings Program;
- Heritage Railway Stations Program;
- Canadian Heritage Rivers System Program;
- Federal Archaeology Program; and
- National Program for the Grave Sites of Canadian Prime Ministers.

The Agency also contributes to international heritage conservation through its leadership and participation in international conventions, programs, agencies and agreements:

- Representing the Government of Canada on the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention);
- Contributing to UNESCO's Program on Man and the Biosphere;
- Serving as the State Member for Canada in the World Conservation Union (IUCN); and
- Serving jointly with the Canadian Conservation Institute as the representative to the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).

The Three Major Systems

National Parks of Canada

Canada's system of national parks protects representative examples of the country's distinct terrestrial regions, and encourages public understanding, appreciation and enjoyment of these parks, in ways that leave them unimpaired for future generations to experience and enjoy.

National Historic Sites of Canada

Canada's system of national historic sites fosters public awareness and appreciation of Canada's cultural heritage for the benefit, education and enjoyment of this and future generations. The system does this in a manner that represents the significance and irreplaceable legacy represented by the places, people and events that have shaped Canada and the cultural resources associated with Canada's historic places. Parks Canada encourages and supports national historic sites owned and managed by third parties.

National Marine Conservation Areas of Canada

Canada's system of national marine conservation areas protects and presents representative areas of the country's distinct oceanic and Great Lakes environments and encourages sustainable use, public understanding, appreciation and enjoyment of this marine heritage, in ways that leave it unimpaired for future generations. This is the newest and least well developed of the three major systems.

Program Activity Architecture

Parks Canada plans and reports on these major systems, obligations, and on the achievement of its mandate through its Program Activity Architecture (PAA), a set of program activities linked to planned results and performance expectations. The six Program Activities are:

Core Program Activities	Descriptive Summary
1 Establish Heritage Places	The establishment of heritage places covers systems planning; negotiating with stakeholders for inclusion in the national systems, obtaining ministerial approval and establishing national parks, and national marine conservation areas of Canada, and national historic sites, and other heritage places.
2 Conserve Heritage Resources	Conserving heritage resources activities include the maintenance or improvement of ecological integrity in national parks; the sustainable use of national marine conservation areas and the protection of unique marine ecosystems; the maintenance and improvement of commemorative integrity in national historic sites managed or influenced by Parks Canada; and the protection and management of cultural resources under the administration of Parks Canada that are not associated with national historic sites.
3 Promote Public Appreciation and Understanding	Promotion of public appreciation and understanding involves programs and activities that are aimed at reaching Canadians in their communities where they live, work and learn and inviting them to become more involved in the protection and presentation of the nation's natural and cultural heritage.
4 Enhance Visitor Experience	Enhanced visitor experiences are sought by setting the stage for visitors to enjoy meaningful, high-quality experiences through the provision of information, infrastructure, facilities, programs, services and personnel. This includes pre and on-site trip planning information, reception and orientation services, interpretation programming, campgrounds, hiking trails and other recreational services, visitor safety programs and ongoing post visit information.
Non-Core Program Activities	Descriptive Summary
5 Townsite Management	Townsite management activities and operations of communities, within Canada's national parks provide municipal services such as drinking water, snow removal, garbage pick-up and disposal, sewage treatment, road and street maintenance, and fire services, to support visitors and residents.
6 Throughway Management	Throughway management activities include the operation, maintenance and repair of roads, bridges, provincial and inter-provincial highways and waterways that connect communities and pass through national parks and national historic sites. Parks Canada is responsible for nine national historic canals/waterways including the Trent-Severn Waterway and the Rideau, Lachine and Chambly canals.

Challenges and Opportunities Affecting Performance

The specific challenges and opportunities Parks Canada faces in meeting its performance commitments are outlined below:

For the most part, Canadians are generally supportive of what the Agency does and the services that it delivers. However, the Agency cannot deliver on its planned results by acting alone. A wide range of partners, stakeholders and other Government departments and Agencies at all levels is directly or indirectly involved in activities of the Agency. The Agency seeks to find shared interests to move initiatives forward but, there are times when interests diverge and progress toward a planned result does not meet expectations within the planned timelines.

Agency capacity (funding) is a challenge to the establishment of new, protected heritage areas. Cost increases in the western Canadian economies of British Columbia (Olympics) and Alberta (energy) affect the Agency's ability to recapitalize existing assets or build new ones, anywhere in the country, (e.g. twinning of the Trans-Canada highway through Banff National Park) in a cost-effective manner as costs have increased everywhere and there are labour shortages because of the movement west.

There are competing demands for lands of interest to Parks Canada in some unrepresented natural regions of the country and in areas where the Agency has identified expansion of an existing national park as a vehicle to improve its ecological integrity. Governments; federal, provincial, territorial and Aboriginal strive to accommodate these diverse demands.

Aboriginal peoples have been supporters of the national parks system. The Agency continues to work closely with First Nation groups within the framework of land claim agreements, Court decisions and existing establishment agreements to manage heritage areas.

Some Agency commitments such as maintaining or improving the ecological integrity of national parks are long-term while other ecological integrity issues can be addressed more quickly resulting in immediate improvement.

Finally, Parks Canada shares with park systems of other western countries such as the United States, New Zealand and Australia the challenges of changing demographics (an ageing, increasingly urban and more racially diverse population) and continued relevancy in modern society. The challenge facing Parks Canada is to conserve what is timeless while keeping pace with the modern needs of Canadians¹.

Establish Heritage Places

Canadians are blessed with many truly remarkable heritage areas. The difficulties that the Agency faces in ensuring that these areas are put under a protection regime are very real: more than 20 per cent of pre-1940's built heritage has already been lost forever; increasing the number of parks in unrepresented natural regions requires a large and growing resource investment and extremely complex negotiations; and the development of national marine conservation areas poses its own set of complications.

The Agency is doing all that it can to meet the planned result for establishment of national parks and national marine conservation areas. As many of the factors that affect this planned result are beyond the control or influence of the Agency there is a risk that revised establishment targets will not be met.

Once a building is demolished, it is gone forever; once wilderness disappears, it cannot be replicated; once marine ecosystems are impaired, they are difficult or impossible to restore. Parks Canada will strive to meet these challenges and work with Canadians to increase the number of protected Canadian heritage areas. Targets have been revised to reflect the limits imposed by available funding and are now more realistic given the evolving complexity of the establishment environment.

Conserve Heritage Resources

Parks Canada's conservation efforts revolve around the principles of ecological integrity of national parks, commemorative integrity of national historic sites and the sustainable use of national marine conservation areas. There are challenges: demand is exceeding available resource levels and, there are external factors over which the Agency has no control or limited ability to influence.

Many national parks are located in areas where there are external threats to the ecological integrity of the park. St. Lawrence Islands and Point Pelee National Parks are two examples of parks in locations where there are external threats due in part to large urban populations and water borne pollutants over which the park has no control.

However, recent pan-Canadian discussions on global warming and greenhouse gas emissions have heightened awareness of their impacts on natural and built heritage. A culture of built heritage conservation is growing at local, municipal and provincial levels that will support enhanced protection of cultural resources.

Promote Public Appreciation and Understanding

The demographics of the Canadian population continue to evolve; Canadians are getting older, becoming more urbanized and more ethnically diverse. The baby-boomers are in or heading into retirement and young people are growing up in an information age where their community and connections increasingly take place in a virtual world. All this will affect public policy and the way in which Parks Canada delivers its mandate. Meeting the changing needs of Canadians, connecting with, engaging and responding to new Canadians and youth are among the most significant challenges and opportunities facing the Agency.

Responding to the challenge of reaching out to new audiences requires the building of relationships with individuals and organizations and enhanced understanding of mutual goals.

The Agency has acted on the 2005 Minister's Round Table recommendations on outreach, communications, research, and bringing Parks Canada content to school classrooms across the country (for details, see Section 2) in order to build our constituency.

Enhance Visitor Experience

Our visitors, at sites surveyed, continue to report high levels of satisfaction, and rate the quality of service provided in national parks and national historic sites as among the best of all federal government services.

The Agency has directed funding on a priority basis to restore visitor infrastructure and facilities and has invested in visitor related socio-economic research to better understand current and potential visitor needs. The Agency will move quickly to respond to the findings and will seek to work more effectively with partners. An enhanced quality visitor experience will lead to the strengthening of a sense of connection between visitors and heritage places and an increased sense of stewardship.

Parks Canada will continue to position and promote national parks and national historic sites as places that, because of the richness and importance of their heritage values, offer exceptional and memorable opportunities for visitor experiences. These experiences will enhance Canada's interest in ensuring the ongoing conservation and protection of their heritage.

Operational Issues

The 1998 replacement value of Parks Canada's assets was estimated at \$7.1 billion. It is now estimated, in 2006/2007 dollars, their replacement value is close to \$10 billion. Recapitalizing Parks Canada's historic and contemporary facilities is an important priority of the Agency.

In addition, new revenues from fee increases are being reinvested to maintain and upgrade Parks Canada facilities to support visitor use and enjoyment.

Parks Canada resources have gone to the most urgent health and safety items, many of which, including highway maintenance and repairs, are only indirectly related to the four core Program Activities of the Agency mandate. That coupled with increases in construction costs has meant that not all planned projects will be completed during the planning period.

Results for Canadians

Over the years, Canadians have consistently expressed approval of the Parks Canada service offer. Surveys have shown that they rate Parks Canada amongst the best federal government organizations. Parks Canada is proud of that record and strives to deliver its mandate in ways that will ensure that our children's children have the same opportunity to experience and enjoy their heritage, as does the present generation.

Parks Canada's overall performance in 2006/2007 is summarized below. Figure 1 shows the Agency's specific planned results by program activity, performance expectations, expenditures and progress during the year. Progress is rated by one of four categories: "on target", "reasonable progress", "caution" or "insufficient information".

On Target means that performance has met the target levels set by Parks Canada, and is usually applied in situations where the performance has been achieved within the reporting year.

Reasonable Progress means that progress (in areas over which the Agency has control or direct influence) toward a multi-year goal is reasonable, and, if continued, is likely to lead to achievement of the long-term target.

Caution means that either short-term goals are not being met, or that progress toward longer-term goals is below expectations.

Insufficient Information means that there is not enough information to make a determination of progress.

Overall Agency Performance

The Agency will not act unilaterally to establish parks or national marine conservation areas. Success requires the support of local communities, stakeholders, Aboriginal communities and provinces and territories.

However, Parks Canada is making progress in the establishment of national parks within available funding levels. Work towards the national marine conservation area establishment targets has advanced but the situation is both complex and time-consuming and there is a risk that the establishment target will not be met.

The number of designations of nationally significant places, persons and events is below the average per year target over the last three years. Parks Canada is not the sole originator/sponsor of designation proposals that are put before the Historic Sites and Monuments Board.

Parks Canada has made progress since 2005/2006 in putting in place an ecological integrity monitoring and reporting system for each national park. As well, there are many examples of successful projects that will contribute to improvements in ecological integrity in individual parks. However, the natural resources of our national parks remain under threat – many of those threats are beyond the direct control or influence of the Agency.

Parks Canada is making progress in eliminating the negative environmental aspects of its own operations, funding has been used to improve the environmental stewardship in the park townships.

Funding is also being used and is planned to be used to address issues of commemorative integrity that were reported as being of concern in the 2005/2006 Performance Report.

Parks Canada's heritage places continue to attract over 20 million visitors each year. Surveys indicate that these visitors are highly satisfied with the quality of Parks Canada services and the enjoyment of protected heritage places. Parks Canada visitors

continue to have safe visits considering the nature of the experience particularly in parks where visitors venture into the backcountry, ski and hike in often rugged terrain.

However, Canadians in general and the visiting public continue to demonstrate a low level of awareness of national historic sites and national parks and the overall level of understanding of their national significance also remains below expectations. New product development and enhanced products are required to ensure that national parks and national historic sites continue to generate interest in terms of travel and leisure as well as ensure long-term interest and attendance.

Section Two provides detail on Parks Canada's achievements in 2006-2007 by key planned result.

OFFICE OF THE AUDITOR GENERAL REPORTS

The Auditor General has assessed Parks Canada Agency's performance information presented in Section 2 of this report. This assessment is only a review level of assurance, and does not constitute an audit. The Auditor General's Assessment Report is included in front of the performance information in Section 2.

The Auditor General has audited Parks Canada Agency's financial statements. These financial statements and the Auditor General's Audit Report are presented in Section 4 of this Performance Report.

The Auditor General has not reported on other sections of this report.

MANAGEMENT STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

The report is based on the reporting principles and other requirements in the 2006-2007 *Departmental Performance Reports Preparation Guide* published by Treasury Board Secretariat, and is in accordance with the criteria of fairness and reliability of the Office of the Auditor General for performance information presented to Parliament.

The *Parks Canada Agency Act* requires the Auditor General of Canada to provide an assessment of the fairness and reliability of the performance information. It is not the role of the Auditor General of Canada to assess or comment on the Agency's actual performance.

Management has established systems and practices designed to provide reasonable assurance on the

fairness and reliability of the Agency's performance information. Parks Canada is continually improving its financial and performance information, introducing new measures and enhancing data collection in others. Some information is based on management's best estimates and judgements. Limitations on the quality of the information and plans for improvements are indicated in the report.

The Agency's Senior Management oversees preparation of this document and approves the final report. In my view, the information is the best available and, represents a comprehensive, balanced, and transparent picture of the performance of Parks Canada for fiscal year 2006-2007.



Alan Latourelle
Chief Executive Officer

Ottawa
September 14, 2007



Auditor General of Canada
Verificatrice générale du Canada

**AUDITOR GENERAL'S ASSESSMENT
of Performance Information
in the Parks Canada Agency's 2006-2007 Performance Report**

To the Chief Executive Officer of Parks Canada Agency and the Minister of the Environment

What I Assessed

As required by the *Parks Canada Agency Act*, I have assessed the fairness and reliability of the Parks Canada Agency's performance information for 2006-2007 with respect to the objectives established in its corporate plan.

Management's Responsibility

The performance information reported in the Agency's performance report is the responsibility of management.

My Responsibility

My responsibility is to assess the fairness and reliability of the performance information included in the Agency's performance report against the objectives established in its corporate plan.

My assessment covered only the performance information included in the section of its performance report titled "Performance by key Planned Result". My assessment did not include the objectives set out in the corporate plan or information referenced by Web links included in the report. My responsibility does not extend to assessing or commenting on the Agency's actual performance.

The Nature of My Assessment

My assessment consisted of a review performed in accordance with the standards for assurance engagements established by the Canadian Institute of Chartered Accountants. The assessment consisted primarily of enquiry, analytical procedures, and discussion related to the performance information. I conducted this assessment using the criteria for the assessment of fairness and reliability described in the Annex.

An assessment based on a review provides a moderate level of assurance and does not constitute an audit. Consequently I do not express an audit opinion on the Agency's performance information.

Conclusion

Based on my assessment, nothing has come to my attention that causes me to believe that the Agency's performance information for 2006-2007, with respect to the objectives established in its corporate plan, is not, in all significant respects, fair and reliable using the criteria described in the Annex to this report.

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
September 14, 2007

**CRITERIA FOR THE ASSESSMENT OF FAIRNESS AND RELIABILITY
OFFICE OF THE AUDITOR GENERAL OF CANADA**

The following criteria were developed to assess the fairness and reliability of the information about the Agency's performance with respect to the objectives in its corporate plan. Two key issues were addressed: Has the Agency reported on its performance with respect to its objectives? Is that information fair and reliable? Performance information with respect to objectives is fair and reliable if it enables Parliament and the public to judge how well the entity or program in question is performing against the objectives it set out to accomplish.

FAIRNESS

- RELEVANT** The performance information reports in context, tangible, and important accomplishments against objectives and costs.
- MEANINGFUL** The performance information describes expectations and provides benchmarks against which performance is compared.
- ATTRIBUTABLE** The performance information demonstrates why the program made a difference.
- BALANCED** A representative and clear picture of performance is presented, which does not mislead the reader.

RELIABILITY

- RELIABLE** The performance information adequately reflects the facts.

These criteria were developed specifically for the assessment. The Parks Canada Agency has acknowledged that they were suitable for the assessment.

More information on the criteria is available on our Web site at http://www.oag-bvg.gc.ca/domino/other.nsf/html/200706frp1_e.html

SECTION 2:

PERFORMANCE BY KEY PLANNED RESULT

The 2006-2007 Agency Corporate Plan presents one strategic outcome.

*Protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public **understanding**, appreciation and **enjoyment** in ways that ensure the **ecological** and **commemorative integrity** of these places for present and future generations.*

The planned result and performance expectation for this strategic outcome is the sum of the performance expectations of the planned results of the individual program activities.

The key elements of the Agency mandate (indicated in bold above) are:

- Protect;
- Present;
- Understanding;
- Enjoyment;
- Ecological integrity; and
- Commemorative integrity.

These key elements are embodied in four Program Activities of the Agency. It is impossible to protect

and present these heritage places unless they are established; they are conserved by ensuring their ecological and commemorative integrity and, in the case of marine areas, their sustainable use; public appreciation and understanding and visitor experiences are essential for Canadians to enjoy these heritage places and contribute to ensuring ecological and commemorative integrity.

The core Program Activities are the heart of what the Agency does, what is communicated to Canadians and what Canadians are most interested in.

There are 14 planned results/priorities in the Agency Strategic Planning Framework presented in the Agency Corporate Plan. Summary information relating to 12 of these planned results is contained in Figure 1. Planned and actual expenditures and revenue², human resources (i.e., FTEs) and progress against each of the expectations for these program activities are also shown in Figure 1. The remaining two planned results related to Program Activities #7 and #8, Management of Parks Canada and People Management, are found in the Background to the Performance Report accessible on the Agency website (www.pc.gc.ca).

More detailed performance information is included for the six planned results and nine performance expectations that are most critical to the Agency for the 2006/2007 reporting period (highlighted in red in Figure 1 and listed in Figure 2).

Chosen because:

1. They relate most directly and significantly to the key elements of the Agency mandate;
2. Together, they account for most of the Agency program spending and the lion's share of revenue it generates (Agency spending in these core program activities has a direct and significant impact on local and regional economies; the Agency affects 469 communities and contributes an estimated \$1.2 billion to the GDP);
3. The activities support Government commitments (e.g. Government Plan to Establish New Parks), contribute to the attainment of most of the Government of Canada sustainable development goals and reflect Government of Canada international agreements and understandings; and,
4. They include Government performance expectations that are horizontal in nature such as the Species at Risk initiative (Environment Canada, Fisheries and Oceans Canada and the Parks Canada Agency).

The information is organized according to Program Activity, planned results and performance expectations where the performance expectations are numbered consistent with their numbering in Figure 1.

Additional information relating to all planned results and performance expectations can be found in Background to the Performance Report in the library section of Parks Canada's website at www.pc.gc.ca.

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY

Program Activity 1: Establish Heritage Places The establishment of heritage places covers systems planning; negotiating with stakeholders for inclusion in the national systems, obtaining ministerial approval and establishing national parks, and national marine conservation areas of Canada, and establishing national historic sites, and other heritage places. 4% of Program Expenditures				
(\$ Thousands)	2006-2007			2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	26,285	30,881	22,716	23,017
FTEs	150		129	131
Sub Activity	National Parks and National Marine Conservation Areas		National System of Designations/Commemoration of Places, Persons and Events of National Historic Significance	Other Designated Heritage Places
Planned Results and Performance Expectations	Create national parks and national marine conservation areas in unrepresented regions.	Complete or expand some existing parks.	Designate and commemorate places, persons and events of national historic significance, particularly in under-represented priority areas.	Designate Other Heritage Places (e.g., Historic Places Initiative, Federal Heritage Buildings, Heritage Rivers, Railway Stations, Prime Minister Grave Sites, World Heritage Sites, Man and Biosphere).
	1. Increase the number of represented terrestrial regions from 25 in March 2003 to 34 of 39 by March 2008, and increase the number of represented marine regions from two in March 2003 to eight of 29 by March 2008.	2. Expand three national parks by March 2008 and increase the targeted land holdings in three unfinished national parks.	3. Designate, on average, 24 new places, persons and events per year, of which, on average, 33% relate to at least one of the strategic priorities (i.e., Aboriginal people, ethno cultural communities and women). 4. On average, 30 commemorative plaques placed annually.	5. List 10,000 designated historic places on the Canadian Register of Historic Places by March 2009, and 17,500 by 2014. 6. Designate in partnership with others historic places (Federal Heritage Buildings, Heritage Rivers, Heritage Railway Stations, Prime Minister Grave Sites) nominate World Heritage Sites, and support nomination of Man and Biosphere Reserves, as opportunity permits.

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

<p>Status</p>	<p>1. Caution: New Parks The Agency will not meet the target of 34/39 terrestrial regions represented by March 2008.</p> <p>There are currently 28 natural regions of Canada represented by national parks.</p> <p>Progress was made on several active candidate national parks including the East Arm of Great Slave Lake (NWT), the South Okanagan-Lower Similkameen (BC) and Mealy Mountains (Labrador).</p> <p>Funding limitations and the complicated nature of the park establishment process have resulted in a change, for the next planning period, to the performance expectation for representation of natural regions. The new target is 30 of 39 represented by March 2008.</p> <p>Caution: National Marine Conservation Areas</p> <p>Parks Canada will not meet its target of 8/29 marine regions represented by March 2008. Currently 2 of 29 marine regions are represented.</p> <p>Capacity issues (funding) have limited progress. As a result, the goal has been reduced to 4 of 29 in the 2007/2008 Corporate Plan.</p> <p>Advances have been made on Gwaii Haanas and the Southern Strait of Georgia and other proposals continue to be explored in the Magdalen Islands (QC) and the South Coast Fjords (Nfld. and Labrador).</p> <p>Because the Agency does not act alone in establishing parks and marine areas and because the establishment environment is very complex, the Agency will be challenged to meet its targets.</p>	<p>2. Reasonable Progress: Expansion</p> <p>Progress was made only on the expansion of Nahanni National Park Reserve.</p> <p>2. Reasonable Progress: Completion</p> <p>Land was added to the Bruce Peninsula (57.4 hectares) and Gulf Islands National Park Reserve (7.567 hectares). Parks Canada bought every parcel of land that was offered for sale by "willing sellers". No land was offered for sale within the identified boundaries for Grasslands National Park of Canada.</p>	<p>3. Caution: In 2006/2007, 22 designations were made (12 arising from the December 2004 meeting of the HSMBC, and 10 from its June 2005 meeting). The average number of designations per year for the past 3 years is 16. The Parks Canada Agency does not have full control of or influence over the proposal submission process or the timing of designations.</p> <p>4. Reasonable Progress:</p> <p>A total of 18 plaques were unveiled in 2006-2007. The average annual number of plaques placed, over the past three years is 28. 3, slightly below the target of 30. The Parks Canada Agency does not have full control of either the timing of designations or unveiling ceremonies.</p> <p>The HSMBC and Parks Canada have streamlined a number of procedures to improve efficiencies in addressing the backlog of unveiled plaques (i.e., 418 designations awaiting plaquing). Parks Canada does not have the capacity to fully address the backlog in the short term but is developing a longer-term strategy to address the backlog.</p>	<p>5. Reasonable Progress:</p> <p>As of March 2007, an additional 1,941 designated historic places were listed on the Register for a total of 5,244 (i.e., 29.5% of the 2014 target is complete).</p> <p>6. Reasonable Progress:</p> <p>There were no new World Heritage Sites or Man and Biosphere Reserve designations in 2006-2007. Proposals, supported by Parks Canada, for two new Biosphere Reserves (Bay of Fundy, NB and Manicouagan Uapishka, QC, and an expansion of the 1000 Islands / Frontenac Arch, ON) were prepared for the Canadian Commission for UNESCO.</p> <p>There are 11 properties on Canada's tentative list of World Heritage Sites to be formally nominated for consideration by UNESCO. A nomination, supported by Parks Canada, for the Joggins Fossil Cliffs in Nova Scotia was submitted to the World Heritage Committee in January 2007. The Agency is actively supporting the nomination process for Aisinaipi (Writing-on-Stone), Alberta, Quttinipaaq, Nunavut and Pimachiowin Aki/Wood and caribou/Accord First Nations, Manitoba.</p>
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FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

Program Activity 2: Conserve Heritage Resources Maintenance or improvement of ecological integrity in national parks; the sustainable use of national marine conservation areas and the protection of unique marine ecosystems; the maintenance and improvement of commemorative integrity in national historic sites managed or influenced by Parks Canada; and the protection and management of cultural resources under the administration of Parks Canada that are not associated with national historic sites. 34% of Program Expenditures				
(\$ Thousands)		2006-2007		2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	218,900	225,035	207,772	185,848
FTEs	1,506		1,520	1,449
Sub Activity	National Parks and National Marine Conservation Areas	National Historic Sites and Cultural Resources	Other Heritage Resources	
Planned Results and Performance Expectations	Maintain and improve the ecological integrity of national parks and the sustainability of national marine conservation areas.	Maintain or improve the commemorative integrity of national historic sites; maintain or improve the state of other cultural resources administered by Parks Canada.	Support and encourage commemorative integrity of national historic sites; contribute to maintaining and improving the state of heritage resources not administered by Parks Canada.	
	7. National park and NMCA management plans will be on schedule and consistent with management plan guidelines by March 2010. 8. Develop fully functioning EI monitoring and reporting systems for all national parks by March 2008. 9. Develop selected indicators and protocols for measuring NMCA ecological sustainability use by March 2009. 10. Improve aspects of the state of EI in each of Canada's 42 national parks by March 2014. 11. Meet targets for five measures of environmental impacts of Parks Canada's operations: greenhouse gas emissions, petroleum storage tanks, contaminated sites, halocarbons and polychlorinated biphenyls (PCBs).	12. Complete NHS management plans, consistent with management plan guidelines by December 2006. 13. Improve 80% of the elements of commemorative integrity rated as poor to at least fair condition within five years of the original assessment. 14. Improve the state of other cultural resources managed by Parks Canada by March 2014.	15. Other owners of national historic sites are aware of CI and have access to information on best practices in maintaining CI. 16. Provide advice, recommendations or certification of interventions to built cultural heritage consistent with <i>The Standards and Guidelines for the Conservation of Historic Places in Canada</i> as opportunity permits.	
Status	7. Reasonable Progress: As of March 2007, 33 of 42 national parks had approved management plans consistent with the 2000 Guidelines for Management Planning. Three national parks operate under interim management guidelines and the remaining six are engaged in the planning process. In 2006-2007, one plan amendment was tabled in Parliament. The management plan for Fathom Five Marine Park was approved in 1998. The plan review has been rescheduled for 2008. The management plan for Saguenay-St. Laurent was tabled in Parliament in 2000. The review is scheduled for 2008. The	12. Reasonable Progress: The Agency has completed management plans for 131 of 151 sites requiring plans. 17 of the remaining 20 plans relate to sites in Atlantic Canada where agreements and protocols for First Nation consultation and engagement were deemed inadequate subsequent to the <i>Haida Nation</i> and <i>Taku River First Nation</i> Cases (court decisions). The KMK, the consultation arm	15. Reasonable Progress: Parks Canada surveys other owners of national historic sites every 2-3 years. Based on the last survey in 2004-2005, 46% of owners were aware of the term commemorative integrity and 64% stated that they had access to information and best practices in maintaining commemorative integrity. In preparation for the next survey of other owners, Parks Canada is refining its measures and setting targets for understanding of and access to commemorative integrity advice.	

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

<p>Status</p>	<p>Agency treats these two protected heritage areas, established before the passage of the <i>National Marine Conservation Areas Act</i>, as national marine conservation areas.</p> <p>The management planning process for parks and national marine conservation areas can be complex and time consuming. Extensive consultation with local communities, stakeholders and aboriginal peoples is required. However, the Agency expects to meet the 2010 target.</p> <p>8. Caution: Two national parks currently meet initial conditions for a fully functioning ecological integrity monitoring and reporting system with the expectation that 2/3 of the parks will do so by March 2008. The remaining 1/3 of parks will have most of the elements of an ecological monitoring and reporting system in place by March 2008. The parks in the far north are the least advanced due to access costs and staff turnover. There will still be challenges in some parks and the program will continue to develop.</p> <p>9. Caution: Minimal progress was made in 2006/2007 to meet the planned result of having selected indicators and protocols for measuring national marine conservation area ecological sustainability by March 2009. Parks Canada is pursuing pilot opportunities with international partners such as the United States and Mexico. All three countries are attempting to learn how to put this concept into practice.</p> <p>10. Reasonable Progress: The Agency can point to restoration project successes. It has initiated more than 70 restoration projects to improve aspects of the ecological integrity in its national parks.</p> <p>11. Reasonable Progress (Contaminated Sites): The Agency is on-target to meet its objectives of assessing and ranking contaminated sites in national parks or historic sites/canals and to develop remediation or risk management plans for all sites by 2009.</p> <p>On Target (Green house Gas Emission Reduction): The Agency has met reduction targets.</p> <p>Insufficient Information (Petroleum Storage Tanks): New storage tank regulations are expected in fall 2007. New targets that relate to the new storage tank regulations will be established.</p> <p>Caution (PCB's and Halocarbons): The Agency will focus on full knowledge and implementation of regulations to ensure proper service and disposal. Extensive inventories of low risk individual assets will not be maintained. In 2006/2007 preliminary work was begun on guidelines for service and disposal. Work is expected to be completed in 2007/2008.</p>	<p>of the Mi'kmaq First Nation and other First Nation groups in the Atlantic provinces are working with the Agency to determine how best to proceed. The target date of December 2006 has been extended to March 2008 in the 2007/2008 Corporate Plan. The Agency does not have full control over the timing of approval and tabling of management plans.</p> <p>13. Caution: Parks Canada has achieved a self-assessed 69.5% (3-year average) rate of improving commemorative integrity elements rated poor to at least fair condition within 5 years of the original assessment.</p> <p>14. Insufficient Information: Parks Canada lacks proper inventories and condition ratings for several classes of resources. For historic objects, while there is a national inventory and 76% of objects are rated in good condition, these ratings need to be updated.</p>	<p>16. Reasonable Progress: 18 interventions to commercial heritage properties were certified in principle, recommendations for appropriate interventions to 127 federal heritage buildings were made, and the transfer in ownership of 3 designated railway stations was approved.</p>
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FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

Program Activity 3: Promote Public Appreciation and Understanding Promotion of public appreciation and understanding involves programs and activities that are aimed at reaching Canadians in their communities where they live, work and learn and inviting them to become more involved in the protection and presentation of the nation's natural and cultural heritage. 13% of Program Expenditures and Less Than 1% of Revenue				
(\$ Thousands)	2006-2007			2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	70,739	82,188	78,120	70,259
Revenue	827		785	756
FTEs	636		764	744
Planned Results and Performance Expectations	Encourage the support and involvement of Canadians and stakeholders and their knowledge and appreciation of Canada's heritage places.			
	17. Develop indicators, expectations and protocols for measuring public appreciation and understanding of Canadians and stakeholders by March 2007.			
Status	17. Caution: As at year end proposed indicators, protocols and performance expectations were still under development.			

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

Program Activity 4: Enhance Visitor Experience				
Enhanced visitor experiences are sought by setting the stage for visitors to enjoy meaningful, high-quality experiences through the provision of information, infrastructure, facilities, programs, services and personnel. This includes pre and on-site trip planning information, reception and orientation services, interpretation programming, campgrounds, hiking trails and other recreational services, visitor safety programs and ongoing post visit information.				
31% of Expenditures and 68% of Revenue				
(\$ Thousands)	2006-2007			2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	199,589	202,819	189,598	194,415
Revenue	71,531		73,161	66,409
FTEs	1,569		1,453	1,517
Sub Activity	National Parks and National Marine Conservation Areas		National Historic Sites	
Planned Results and Performance Expectations	Encourage experiences and emotional connections, meet visitor expectations and facilitate learning opportunities.			
	19. a) 50% of visitors to national parks and national marine conservation areas participate in learning experiences. 20. a) 85% of visitors are satisfied, and 50% are very satisfied with their experience at national parks and national marine conservation areas.		18. 10% increase in the number of visits to targeted national historic sites by March 2008. 19. b) 80% of visitors to national historic sites participate in learning experiences. 20. b) 85% of visitors are satisfied, and 50% are very satisfied with their experience at national historic sites.	
Status	19. a) On Target: Across three surveyed parks, an average of 71% of visitors used at least one heritage presentation product or service during their visit. No NMCA was surveyed in 2006/2007. 20. a) On Target: Three of three surveyed parks met the targets of 85% of visitors satisfied and 50% of visitors very satisfied with their overall visit.		18. Caution: It will be a challenge for the Agency to meet this performance expectation at all 4 sites. The Fortress of Louisbourg, that has seen a drop in visitation over the past 3 years, presents the biggest challenge. It is the most impacted by the value of the dollar, issues related to Canada-US border crossing and geographic location (at the end of the road, at the end of the country). Special periodic events such as military re-enactments present opportunities to have spikes in visitation. 19. b) On Target: Across 11 surveyed sites, an average of 89% of visitors used at least one heritage presentation product or service during their visit. Ten of eleven surveyed national historic sites met this performance expectation. 20. b) On Target: Eleven of eleven surveyed sites met the targets of 85% of visitors satisfied and 50% very satisfied with their overall visit.	

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

Program Activity 5: Townsite Management Townsite management activities and operation of communities within Canada's national parks provide municipal services such as drinking water, snow removal, garbage pick-up and disposal, sewage treatment, road and street maintenance, and fire services, to support visitors and residents. 2% of Expenditures and 2.5% of Revenue				
(\$ Thousands)	2006-2007			2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	12,853	18,568	13,503	9,802
Revenue	2,676		2,716	2,663
FTEs	51		88	94
Planned Results and Performance Expectations	Provide responsible environmental stewardship, heritage conservation and efficient and affordable administration.			
	21. Meet targets for sewage effluent quality, water conservation, solid waste diversion, management of contaminated sites and legislated limits to growth. 22. Develop inventory of heritage assets, condition ratings and performance targets by March 2007. 23. 100% cost recovery of municipal utility services (water, sewer and garbage collection). 24. Establish targets for efficient administration by March 2007 based on standard municipal models.			
Status	<p>21. Reasonable Progress (<i>sewage effluent quality, contaminated sites and legislated limits to growth</i>): Six of the seven communities met the Federal Wastewater Guidelines for sewage effluent quality. All of the 4 communities expected to meet the more rigorous Parks Canada Mountain Park targets met them in 2006-2007. The percentage of remediated or risk-managed contaminated sites increased from 62% (2005-2006) to 65% (2006-2007). Growth in all of the Park communities is within legislated limits with an average growth rate (excluding Banff) of 6.4% since 2005-2006.</p> <p>Insufficient Information (<i>water conservation and solid waste diversion</i>): Targets for water conservation and solid waste diversion have not yet been developed.</p> <p>22. Caution: Although progress has been made Parks Canada did not achieve its target in this area. As of March 31, 2007, 6 of 7 communities have completed an inventory of their heritage assets, 6 of 7 communities have rated the condition of these assets while 4 of 7 communities have completed action plans, which include performance targets to address protection and presentation goals.</p> <p>23. On Target: Operating costs for water, sewer and garbage collection are 100% cost recovered, where regulations permit.</p> <p>24. Insufficient Information: Targets for efficient administration based on standard municipal models have not been established, as they would have been redundant with those already established for performance expectations 21, 22 and 23. This target has, therefore, been removed from the 2007-2008 Corporate Plan.</p>			

FIGURE 1: SUMMARY RESULTS BY PROGRAM AND SUB-ACTIVITY (cont'd)

Program Activity 6: Throughway Management Throughway management activities include operation, maintenance and repair of roads, bridges, provincial and inter-provincial highways and waterways that connect communities and pass through national parks and national historic sites. Parks Canada is also responsible for nine national historic canals/waterways including the Trent-Severn Waterway and the Rideau, Lachine and Chambly Canals. 16% of Program Expenditures				
(\$ Thousands)	2006-2007			2005-2006
	Planned	Total Authorities	Actual	Actual
Expenditures	59,070	95,856	92,906	51,357
FTEs	214		250	196
Sub Activity	Highways		Waterways	
Planned Results and Performance Expectations	Provide safe highways, open to the through traffic and minimize their environmental impacts		Maintain condition of waterways with water control functions and meet water level obligations	
	25. Highways are open to through traffic. 26. Maintain highways in a condition that minimizes risk to users. 27. Minimize environmental impacts of highways.		28. 75% of waterway assets are maintained in at least fair condition. 29. Develop inventory of water control obligations, targets and protocols for measuring compliance by March 2007.	
Status	25. On Target: In 2006/2007 no highway was closed because of asset condition. 26. Insufficient Information: The Agency continues to invest in highway re-capitalization and maintenance but highway condition ratings are not up-to-date. 27. Reasonable Progress: The strategy for ecological reporting on through highways is being implemented as part of the ecological integrity monitoring and reporting system for individual parks that have through highways; salt management plans are in place and measures are taken to reduce wildlife/traffic collisions.		28. Caution: Progress has been made on inventories and engineering assessments of condition rating. Funding has been allocated to the most urgent health and safety projects and others have been deferred until the funding ramps-up over five years. As a result, 75% of waterway assets would not be assessed as being in fair condition. 29. Caution: Inventories of water control obligations have been completed for all major waterway systems managed by Parks Canada. Targets have been established but the requirement for compliance protocols has been removed.	

FIGURE 2: PLANNED RESULTS AND PERFORMANCE EXPECTATIONS REPORTED FOR 2006-2007

As previously referenced, the Annual Performance Report details Agency performance in relation to 6 planned results and 9 performance expectations (also outlined in red on Figure 1). They are:

Planned Results	Performance Expectations
Create national parks and national marine conservation areas in unrepresented regions.	1. Increase the number of represented terrestrial regions from 25 in March 2003 to 34 of 39 by March 2008, and increase the number of represented marine regions from two in March 2003 to eight of 29 by March 2008.
Designate and commemorate places, persons and events of national historic significance, particularly in under-represented priority areas.	3. Designate, on average, 24 new places, persons and events per year, of which, 33% relate to at least one of the strategic priorities (i.e. Aboriginal people, ethno-cultural communities and women's history).
Maintain or improve the ecological integrity of national parks and the sustainability of national marine conservation areas.	8. Develop fully functioning EI monitoring and reporting systems for all national parks by March 2008. 9. Develop selected indicators and protocols for measuring NMCA ecological sustainability by March 2009. 10. Improve aspects of the state of EI in each of Canada's 42 national parks by March 2014.
Maintain or improve the commemorative integrity of national historic sites; maintain or improve the state of other cultural resources administered by Parks Canada.	13. Improve 80% of the elements of commemorative integrity rated as poor to at least fair condition within five years of the original assessment.
Encourage the support and involvement of Canadians and stakeholders and their knowledge and appreciation of Canada's heritage places.	17. Develop indicators, expectations and protocols for measuring public appreciation and understanding of Canadians and stakeholders by March 2007.
Encourage experiences and emotional connections, meet visitor expectations and facilitate learning opportunities.	19. 50% of visitors to national parks and national marine conservation areas and 80% of visitors to national historic sites participate in learning experiences. 20. 85% of visitors are satisfied, and 50% are very satisfied with their experience at national parks, national marine conservation areas and national historic sites.

PROGRAM ACTIVITY 1: ESTABLISH HERITAGE PLACES

Create National Parks and National Marine Conservation Areas in Unrepresented Regions

Increase the Number of Represented Terrestrial Regions from 25 in March 2003 to 34 of 39 by March 2008 (Performance Expectation #1):

The National Parks System Plan (1997) (www.pc.gc.ca) divides Canada into 39 distinct National Park Natural Regions, with the goal being to represent each of the natural regions with at least one national park. Park establishment begins with the identification of areas representative of a natural region, followed by the selection of a potential park proposal, conducting a feasibility study, including consultations, on the park proposal, negotiating park agreements, and formally protecting a park under the *Canada National Parks Act*.

The number of represented regions as of March 2007 and increases in the number of represented regions over the last four years are shown in Figure 3. Parks Canada is focusing its efforts in six of the currently 11 unrepresented regions. These regions are the focus of attention because there are confirmed candidate sites; there is a level of cooperation with a range of stakeholders in most of the regions, and to varying degrees, there is some level of threat that without action these areas may be lost to other development scenarios. The pace at which Parks Canada will be able to attain its March 2008 target depends a great deal on its ability to secure the support of provincial or territorial

FIGURE 3: NUMBER OF PARKS CANADA'S 39 TERRESTRIAL REGIONS REPRESENTED IN THE SYSTEM

	As of March				
	2007	2006	2005	2004	2003
# Of 39 Natural Regions Represented in System	28	28	27	27	25
# Of Operational National Parks	42	42	41	41	39
Km ² of Operational National Parks	274,700	274,700	265,000	265,000	244,540

Note:

- A region may be represented by a national park or national park reserve (i.e., a reserve is an area managed as a national park, but where the lands are subject to one or more land claims by Aboriginal people that have been accepted for negotiation by Canada).
- A region is considered represented when a national park or park reserve is operational (i.e., when a park establishment agreement has been signed by the Minister, with Cabinet approval; when the land has been transferred to Canada, and when the authority to operate has been established under various provincial, territorial and/or federal regulations).

governments, Aboriginal people, and local communities, and negotiating the appropriate agreements and cooperative arrangements.

Significant progress was made in a number of regions, in particular, the Mealy Mountains (Labrador) and the South Okanagan-Lower Similkameen (British Columbia) where public consultations were held on possible boundary scenarios and on a management framework for these sites. In addition, an important Memorandum of Understanding was signed between the government and the Lutsel K'e Dene First Nation that formally launched a feasibility study for the proposed East Arm of Great Slave Lake (Northwest Territories). More detail is provided in the Background Report on the Agency website (www.pc.gc.ca).

Increase the Number of Represented Marine Regions from Two in March 2003 to Eight of 29 by March 2008 (Performance Expectation #1):

A national marine conservation areas system plan, entitled *Sea to Sea to Sea* (www.pc.gc.ca), divides Canada's oceanic waters and Great Lakes into 29 marine natural regions. The long-term goal is to represent each of the natural regions with at least one National Marine Conservation Area (NMCA). National marine conservation areas are managed for sustainable use, and include highly protected zones surrounded by multiple use areas where fishing, aquaculture and marine transportation are permitted. Under the 2002 *Canada National Marine Conservation Areas Act*, Parks Canada is mandated to work with Fisheries and Oceans Canada and Transport Canada to manage national marine conservation areas, and to conserve them for the benefit, education and enjoyment of the people of Canada and the world.

There are currently two operating marine sites: Atlantic Marine Region 5 is represented by the Saguenay-St. Laurent Marine Park in Quebec (established pursuant to its own legislation) and Great Lakes Marine Region 2 by Fathom Five

National Marine Park in Ontario. Although both parks were established prior to passage of the National Marine Conservation Act, the Agency treats them as national marine conservation areas.

Parks Canada has had to refine its establishment protocols for the sites it is currently working on given the new concepts in the NMCA legislation, such as ecologically sustainable use, the requirement to develop interim management plans as part of the establishment process and, the requirement to share responsibilities with other federal departments such as Fisheries and Oceans. Some concepts, embodied in the Act, will take time to define in a workable way. This combined with the time it takes to secure the support of other governments, Aboriginal people and stakeholders for a relatively new concept means that Parks Canada will be challenged to meet its target.

The Parks Canada Agency will not act unilaterally to establish a national marine conservation area. Establishment success requires the support and endorsement of local communities, stakeholders, Aboriginal communities and provinces and territories.

Since March 2003, Parks Canada's has concentrated on creating National Marine Conservation Areas in six unrepresented regions. No work is planned in the other 21 regions at the present time. Although no new National Marine Conservation Areas have been represented, progress has been made, in particular, in Lake Superior where negotiations during 2006/2007 will likely result in the signing of a federal-provincial establishment agreement in 2007/2008. In addition, discussions with the Haida Nation with respect to the proposed NMCA in the waters of Gwaii Haanas (British Columbia) and discussions with the Government of British Columbia and other parties with respect to the proposal for the Southern Strait of Georgia, contributed to 2006-2007 progress. In 2006, Parks Canada adjusted its short-term target from representation of eight regions by March 2008, to four regions, to be more in line with capacity and the pace of the establishment process.

Designate and Commemorate Places, Persons and Events of National Historic Significance, Particularly in Under-Represented Priority Areas

Designate, on average, 24 New Places, Persons and Events Per Year, of which, on average, 33% Relate to at Least One of the Strategic Priorities (Performance Expectation #3):

The *National Historic Sites of Canada System Plan* (October 2000) (www.pc.gc.ca) presents a strategy to commemorate places, persons, and events of national historic significance. Realization of the *National Historic Sites of Canada System Plan* is the responsibility of several different stakeholders; the public, who make most of the nominations for designation; the Historic Sites and Monuments Board of Canada (HSMBC), which reviews all submissions and recommends the designation of places, persons and events that represent nationally significant aspects of Canadian history; and the Minister of the Environment, who makes the final designations. Parks Canada's role involves publicizing the process, receiving and screening designations, preparing background papers for the HSMBC, acting as secretariat for the Board, and preparing submissions, based on Board recommendations, for the Minister. The number of Ministerial

designations over the last three years is shown in Figure 4 while the number of designations of places, persons and events across Canada is shown in Figure 5.

In 2006-2007, there were twenty-two new designations: six related to women's history, two to the history of Aboriginal people, and three to the history of ethno-cultural communities.

One hundred and fifty-seven of the 924 national historic sites (i.e., designated places) across Canada, or about one in six, are administered directly by Parks Canada.

FIGURE 5: STATUS OF DESIGNATIONS BY TYPE AS OF MARCH 2007

Type	All
Places	924
Persons	597
Events	375
Total	1896

Source: National Historic Sites Directorate

FIGURE 4: STATUS OF MINISTERIAL DESIGNATIONS OF PLACES, PERSONS AND EVENTS

	2006-2007		2005-2006		2004-2005	
	All	SP	All	SP	All	SP
Balance as of April 1	1,875	373	1,859	363	1,849	355
# Of Designations	22	11	19	10	6	3
Net Adjustments	-1	-1	-3		4	5
Balance as of March 31	1896	383	1,875	373	1,859	363
Strategic Priorities as % of new designations for the year	50		52.6		50	

Source: Historic Sites and Monuments Board of Canada Secretariat database and Directory of Federal Heritage Designation

- All=All designations, SP=designations related to strategic priorities
- Adjustments to the number of designations result from the destruction of the listed asset, discovery of double-counted or uncounted previous designations, or re-assessment of the status of a listed site.

PROGRAM ACTIVITY 2: CONSERVE HERITAGE RESOURCES

Maintain or Improve the Ecological Integrity of National Parks and the Sustainability of National Marine Conservation Areas

The Canada National Parks Act defines ecological integrity as:

"A condition that is determined to be characteristic of its natural region and likely to persist, including abiotic (devoid of life) components and the composition and abundance of native species and biological communities, rates of changes and supporting processes" (The Canada National Parks Act).

Maintaining or improving the ecological integrity of a national park is a complex and difficult challenge. The Agency does not have direct influence on all the factors, such as long-range atmospheric pollution and climate change, that affect the state of ecological integrity. Other factors, such as acts of nature (e.g., forest fires) can also assist Parks Canada in improving ecological integrity. To maintain and improve ecological integrity, Parks Canada works with a number of partners including Aboriginal communities, adjacent landowners, the private sector such as the tourism industry, along with environmental non-government organizations and universities.

New Investments: The Government has provided funds for the Agency to maintain and improve the ecological integrity of Canada's national parks; an investment of approximately \$135 million over five

years with ongoing funding each year thereafter. Parks Canada has also received dedicated funding, totalling \$20.3M, for protection of species at risk, an initiative lead by Environment Canada.

Parks Canada is investing to increase its capacity to deliver on its ecological integrity commitments by staffing new positions in resource conservation and in interpretation.

Improve aspects of the state of EI in each of Canada's 42 national parks by March 2014 (Performance Expectation #10):

The Agency can point to specific results of active management and restoration projects that demonstrate that it is making reasonable progress toward meeting its performance expectation. Past Annual Reports identified that there was insufficient information to make a determination of progress as projects had not been fully implemented. While many restoration projects are multi-year, the following four projects illustrate the work the Agency is undertaking and progress toward the planned result.

Fire Management: Fires Bring New Life

Fire has always had a significant role in the maintenance of healthy natural ecosystems. However, it is only relatively recently that active

management of fire through the use of prescribed burns and the 'control' of wildfire has become common.

Properly managed, fire plays an important role in the life of a forest. It opens up dense old growth and turns branches, leaves and dead wood into instant fertilizer. Sun-warmed, nutrient rich soil allows rapid re-growth of plants, providing abundant food for birds and wildlife.

Burned but still standing trees are havens for insects, which in turn feed woodpeckers and many other small creatures. These "snags" also provide shelter, nesting sites and perches for a wide variety of wildlife species.

Parks Canada seeks to reduce wildfire risk and approximate the ecological effects of the long-term historical fire regime (average number of hectares burnt each year) characteristic of each park/site. This will contribute to the maintenance and restoration of ecological integrity/reduction of ecological risk.

Approximately 60% of parks are actively managing fire; 24% of parks/sites with fire dependent/fire prone vegetation have clear fire/vegetation management objectives in their management plans; 23 fire plans (prescribed burns) covering 29,881 hectares were approved in 2006-2007.

In 2006/2007, 11 prescribed burns covering 5,859 hectares were ignited. This number is below the seven year annual average of 15 although the total number of hectares burnt was above the average of 44,000 hectares. Parks Canada responded to 137 wildfires, which resulted in 27,210 hectares burned. The number of wildfires was above the seven year average of 76 but below the average area burned.

Fires, whether set under controlled conditions or managed wildfires, will contribute to healthy ecosystems and, along with other factors, may result in changes to the stressor rating of individual parks. Proper use of fire in our national parks/historic sites has improved the ecological health of these special places.

La Mauricie National Park – Aquatic Restoration

Before the establishment of the La Mauricie National Park, that region of Quebec was heavily impacted by human use. The natural state of the lakes and rivers had been altered to facilitate logging and the movement of logs to mills to the south. Dams were built to artificially raise and maintain water levels, and many of the lakes of the region were stocked with non-native species of fish to cater to a sports fishing industry.

Parks Canada launched a restoration project to develop a new concept of recreational experience and discovery of the park's freshwater ecosystems. Natural water levels and shoreline habitat have been restored by removing man-made structures, sunken logs and downed trees. Non-native fish species have also been removed. Land locked Arctic Char and Brook Trout, that are native to the area, have been re-introduced to several lakes. The overall result is that the ecological integrity of the Park's fresh water ecosystems has been improved. An information and public engagement program was developed and is now offered to increase the level of understanding of the project with students, the local population, Aboriginal people and park visitors.

These measures will positively impact on the ecological integrity of the Park and will be reflected in improvements in the Park monitoring and reporting system.

Grasslands National Park – Restoring the Ecological Balance

Prairie grasslands are amongst the most threatened ecosystems in Canada. At Grasslands National Park in Saskatchewan, bison have been re-introduced as a key element in the restoration of the prairie grass ecosystem...

Large herbivore grazing is an ecological process that has been missing from the prairie Park for a number of years. Bison grazing patterns are somewhat different than domestic livestock as they graze

heavily in some areas and lightly in others. This pattern creates a vegetation community that is diverse and therefore attractive to a variety of native species not found in the surrounding rangeland. Grazing bison distribute seeds, fertilize the land and, through habits such as dry wallowing create habitat for birds and animals such as the ground squirrel and burrowing owl. By using prescribed fire and watering holes to facilitate bison movement, the Park is aiming to create specific grazing prescriptions, aimed at maintaining a range of prairie biodiversity.

The Agency has two years of grazing monitoring data in place, as well as a completed ecosystem model populated with baseline data to support park level decision-making.

The Agency is confident that these measures will contribute to the restoration of the prairie grass ecosystem. Having bison back on the landscape is also a major addition to visitor experience, providing an opportunity for learning about prairie ecosystems.

Lake Louise Area Strategy: Trail and Habitat Restoration

This trail and habitat restoration initiative is designed to sustain the grizzly bear population in the Lake Louise area while maintaining a positive visitor experience in one of the most visited sites in Canada's National Park System. The restoration program aims to reduce bear mortality and habituation to humans as well as provide upgraded visitor services and learning opportunities. The end result will be that bear movement and habitat will be less disrupted, while visitor opportunities are improved.

Work on the project is multi-year and proceeding on schedule. Trails have been redesigned to meet the needs of both bears and hikers. Some trails have been closed and others re-routed to avoid key feeding areas and allow bears good escape terrain. In addition to trail projects, potential new uses and the commemorative integrity of the historic Skoki

Lodge and Abbot Pass Refuge have been assessed to examine new visitor opportunities; and a firebreak was constructed around the hamlet of Lake Louise to protect people and facilities, while facilitating wildlife movement.

Preliminary results show increased presence and movement of bears and wolves in the area; a positive reaction from trail users and a reduced perception of visitor crowding due to better parking management. The planned reduction of target for bear mortality outlined in the Park Management Plan is being approached. In time, the Agency expects there will be greater evidence of environmental stewardship (from opportunity and involvement) and support for the Agency mandate of visitor opportunity, education and protection.

Other Projects

The Agency has also undertaken other projects related to improving the ecological integrity of specific parks. The Ecological Integrity Innovation and Leadership Fund supports approximately 70 projects in scientific research for better park management, active management and restoration, regional and Aboriginal partnerships and initiatives to inform, influence and involve Canadians. Multi-year ecological integrity theme projects have been funded in 11 national parks. For details on more of these projects see the Background to Performance Report 2007, www.pc.gc.ca. Other examples of efforts to improve ecological integrity in national parks can be found in Parks Canada's publication, *Action on the Ground* (www.pc.gc.ca), and *Parks Canada's Species at risk recovery strategies* (www.sararegistry.gc.ca).

A system is being put in place to better track the effectiveness of significant actions that are carried out to improve aspects of ecological integrity in the national parks. These actions are either those planned for large-scale projects including priority theme projects, innovation and leadership projects, and restoration projects, or are key actions identified in the park management plan. For each initiative,

outcomes and associated targets are defined. These results will be reported in the State of the Park report every five years. Reportable results are expected after one planning and reporting cycle for each park.

Develop selected indicators and protocols for measuring NMCA ecological sustainability by March 2009 (Performance Expectation #9):

Three international workshops led to a recommended framework for shared indicators and protocols that is now to be tested in Mexican, US and Canadian pilot sites, including the marine component of Pacific Rim National Park Reserve. Parks Canada's limited capacity presents a challenge in advancing this priority.

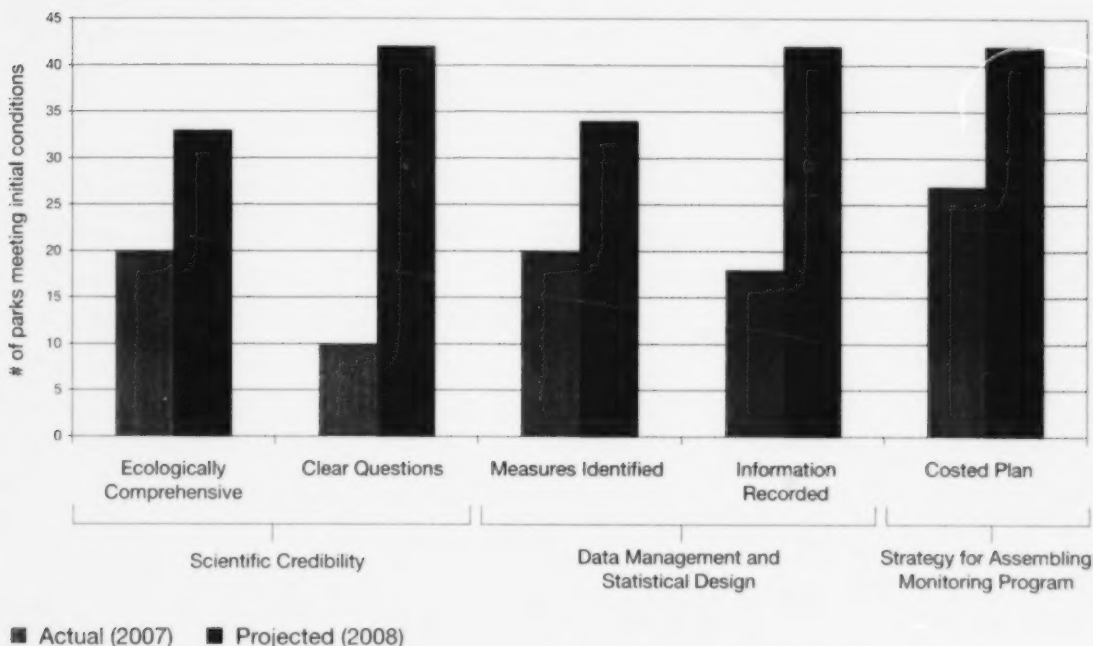
Develop Fully Functioning Ecological Integrity Monitoring and Reporting Systems for All National Parks by March 2008 (Performance Expectation #8):

Parks Canada has conducted yearly assessments of all parks on their progress in developing fully functioning ecological monitoring and reporting systems against six criteria. Results of these assessments are shown in Figure 6. These criteria track progress toward a mature monitoring program that will not be attained for several years. Advances have been made in stakeholder involvement (Criterion 4) and in the strategy for assembling monitoring programs (Criterion 6). Scientific credibility and data management and statistical design criteria continue to be a challenge because of the need for additional data collection.

In the interim, a set of five conditions for supporting State of the Park reporting will be addressed. These conditions (see Figure 7) capture the essential elements of the criteria in Figure 6. Although only two parks meet all of the conditions at the present time, it is expected that 28 parks will do so by March 2008.

FIGURE 6: ECOLOGICAL INTEGRITY MONITORING AND REPORTING SYSTEM CRITERIA/INDIVIDUAL PARK SUCCESS IN MEETING THE CRITERIA

Criteria	Number of Parks Meeting Criteria (N=42) 2006/2007
1. Scientific credibility: Monitoring systems address clear questions, set defensible targets, use scientifically defensible methods that are available for external review; systems incorporate external scientific advice.	4
2. Data management and statistical design: data from monitoring systems are available and coherent, experimental designs and sampling are scientifically adequate.	2
3. Bioregional Cooperation: Monitoring projects complement greater bioregional approaches and initiatives.	29
4. Stakeholder Involvement: partners and stakeholders in the development of park ecological monitoring and reporting system are engaged.	25
5. Linkage to Park Management Plans: Monitoring systems are linked to ecological integrity vision of management plan for each park and greater park ecosystem monitoring goals.	22
6. Strategy for Assembling Monitoring Systems: Parks have credible strategies to address gaps in monitoring systems.	29

FIGURE 7: INITIAL CONDITIONS FOR A FULLY FUNCTIONAL MONITORING AND REPORTING SYSTEM

Parks Canada reports on the state of ecological integrity of parks ecosystems in its State of Protected Heritage Areas Report (SOPHA) produced every two years and, in each park's state of the park report produced as part of the five-year management planning cycle. The framework in Figure 8 is used to organize reporting on ecological integrity within different ecosystems (e.g., land based, aquatic). Each additional park has tailored the national system to address their unique circumstances. (see Background Report: Figure 7 for an example of a park monitoring and reporting system.)

From a longer-term perspective, the national snapshot of ecological integrity in national parks (Figure 9) is based on best available data to illustrate the state of ecological integrity for national park terrestrial and aquatic ecosystems. This data comes from a variety of sources: the developing park

monitoring and reporting system, satellite imagery, traditional knowledge, other government departments and literature. As more data from individual park monitoring and reporting systems becomes available, this snapshot will be refined to present an overview of the state of ecological integrity in Canada's national parks.

A project (such as the re-introduction of bison to Grasslands National Park) might improve an aspect of the ecological integrity of a park without necessarily changing the indicator. Many elements make up each indicator. Figure 10 draws on the data from Figure 9 to show change from the 2005/06 Performance Report. Some indicators, such as diversity and developed area were not re-assessed due to lack of new data, while others such as species loss represent new assessments

FIGURE 8: FRAMEWORK FOR REPORTING ON ECOLOGICAL INTEGRITY OF NATIONAL PARKS

Component	Definition and Measures
Biological Diversity	The natural variety of plant and animal species, and the genetic variation within individual populations that characterize ecosystems. Measures include extent to which original species diversity is maintained, extent normal predator-prey relations continue, and extent of species loss.
Ecosystem Processes	The flows of energy and matter that shape ecosystems (e.g., growth and decomposition of vegetation, fire, etc.). In normal circumstances these functions are expected to occur within an acceptable range of variation. Measures include the extent of plant growth in a park and the existence of a natural fire cycle.
Stressors	Factors, either within or from outside the park, that negatively affect both its biodiversity and ecosystem processes. They may be global and long-range (e.g., climate change, long-range pollutants), or regional and local (e.g., regional land management practices around a park, road densities). Some stressors (e.g., particular diseases in neighbouring animal populations) are specific only to a few parks. Measures include extent of development and population density around a park, the extent of internal roads in a park, and the water quality (i.e., for aquatic ecosystems).

The majority of ecological integrity measures remained stable from 2005/2006. There were seven parks that showed improvements in measures of EI and six parks that showed declines in measures of EI. Eight parks had measures reclassified to a poorer condition of ecological integrity as the result of new information. The latter represent a somewhat reduced condition of ecological integrity without giving us any information about trends. There were also ten instances of new information for a measure where there was none in 2005/2006. Most of these were in good ecological condition. The changes reported include:

- Improvement in ecological integrity because of the restoration of grazing in prairie grasslands through the reintroduction of bison to Grasslands National Park. Grazing is as an important ecological process to the grassland ecosystem and the return of large herbivores to the park has had a positive impact;
- A decline in the ecological integrity measure of plant growth (productivity) over the period 1998-2006, for 6 of 11 northern national parks as

estimated using satellite imagery. There is no definitive explanation for this change but changing climate is postulated to be the cause;

- Improvements in the ecological integrity measure for fire as a result of prescribed-burn and managed wildfire burns in Prince Albert, Kejimikujik and Waterton Lakes National Parks. Parks Canada seeks to reduce wildfire risk and approximate the ecological effects of the long-term historical fire pattern. Approximately 60% of parks are actively managing fire. Almost 30 thousand hectares of prescribed burns were approved in 2006-07. This is an important ecological process that is being used to improve ecological integrity of national parks;
- A greater number of parks with 1% or more of their native species lost. This number will continue to increase for a number of years with increased study and knowledge of rare species; and
- Changes in internal road densities with land acquisition; some reflect favorably on the Park (Bruce Peninsula) and others do not (St. Lawrence Islands).

FIGURE 9: A SNAPSHOT OF THE STATE OF ECOLOGICAL INTEGRITY IN CANADA'S NATIONAL PARKS

National Park	Land Species			Land Processes		Land Stressors			Water Stressor
	Diversity	Predator-Prey	Species Loss	Plant Growth	Forest Fires	Developed Area	Population Density	Internal Roads	Water Quality
Cape Breton Highlands									
Fundy								N	
Gros Morne									
Kejimikujik					I				
Kouchibouguac									
Prince Edward Island									
Terra Nova									
Forillon									
La Mauricie									
Mingan Archipelago									
Bruce Peninsula								I	
Georgian Bay Islands									
Point Pelee									
Pukaskwa									
St. Lawrence Islands								D	
Gulf Islands			N					N	
Gwaii Haanas					N/A				
Pacific Rim			ND		N/A				
Elk Island			ND						
Grasslands		I							
Prince Albert					I				
Riding Mountain									
Wood Buffalo				I					
Banff			ND						
Glacier									
Jasper			ND	N					
Kootenay									
Revelstoke									
Waterton			ND		I				
Yoho			ND						
Aulavik				D	N/A	N			
Auyuittuq				I	N/A				
Ivvavik					N/A				
Kluane				D					
Nahanni				D					
Quttinirpaaq			ND		N/A				
Sirmilik				N	N/A				
Tongat Mountains					N/A	N	N	N	
Tuktut Nogait					N/A				
Ukkusiksalik				N	N/A			N	
Vuntut					N/A				
Wapusk									

I = an improvement in ecological integrity, D = a decline in ecological integrity

N = a retroactive change in status as the result of new information, N/A = measure is not applicable

The Background to the Performance Report includes a table detailing the factors considered when assigning a green, yellow or red rating to an indicator.

Each National Park will have a system that monitors and provides data to report on the state of ecological integrity of that park.

Some aspects of ecological integrity, while monitored and reported, are beyond the direct control or influence of the Agency. The monitoring and reporting systems will support the Agency as it focuses its efforts and investment areas that will lead to measurable improvement of the ecological integrity in the parks.

FIGURE 10: ECOLOGICAL INTEGRITY INDICATORS: AREAS OF CHANGE FROM 2005/2006

National Park	Land Species		Land Processes		Land Stressors
	Predator-Prey	Species Loss	Plant Growth	Forest Fire	Internal Roads
Fundy					N
Kejimikuk				I	
Prince Edward Island					I
Bruce Peninsula					I
Point Pelee					N
St. Lawrence Islands					D
Pacific Rim		N			
Elk Island		N			
Grasslands	I				
Wood Buffalo			I		
Bird		N			
Isleper		N			
Waterton		N		I	
Yoho		N			
Antark			D		
Arcuttuq			I		
Ivavak			D		
Kluane			D		
Nahanni			D		
Quttinipaq		N			
Tuktut Nogait			D		
Vuntut			D	I	

The changes in the table are against the baseline of 2005-2006 snapshot of ecological integrity

I= an improvement in ecological integrity, **D**=a decline in ecological integrity,

N=a retroactive change in status as the result of new information

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	Predator-Prey	Species Loss	Plant Growth	Forest Fire	Internal Roads
Fundy					N
Kejimikujik				I	
Prince Edward Island					
Bruce Peninsula					I
Point Pelee					
St. Lawrence Islands					D
Pacific Rim		N			
Elk Island		N			
Grasslands	I				
Wood Buffalo			I		
Banff		N			
Jasper		N			
Waterton		N		I	
Yoho		N			
Aulavik			D		
Auyuittuq			I		
Ivvavik			D		
Kluane			D		
Nahanni			D		
Quttinirpaaq		N			
Tuktut Nogait			D		
Vuntut				I	

The changes in the table are against the baseline of 2005-2006 snapshot of ecological integrity.

I= an improvement in ecological integrity, D=a decline in ecological integrity,

N=a retroactive change in status as the result of new information

Maintain or Improve the Commemorative Integrity of National Historic Sites Administered by Parks Canada

Improve 80% of the Elements of Commemorative Integrity Rated as Poor to at Least Fair Condition within Five Years of the Original Assessment (Performance Expectation #13):

Commemorative integrity of a National Historic Site is achieved when:

- Resources directly related to the reasons for the site's designation as a national historic site are not impaired or under threat;
- The reasons for the site's designation as a national historic site are effectively communicated to the public; and
- The site's heritage values are respected in all decisions and actions affecting the site.

Commemorative integrity statements for Parks Canada Administered sites

As of March 2007, 137 of 157 Parks Canada administered national historic sites had commemorative integrity statements; 134 were

complete and three were in draft form. 85% of required commemorative integrity statements were completed.

The remaining 20 commemorative integrity statements will be completed in 2007-2008, as part of the site management planning process.

Parks Canada intends to evaluate the commemorative integrity of all the sites it administers by March 2009. In 2006-2007, the rate at which evaluations were being completed was accelerated resulting in twenty evaluations being completed, more than in previous years.

This acceleration will result in the completion of a baseline dataset for the Agency's national historic sites and foreshadows the transformation of commemorative integrity evaluations into State of Sites Reporting. Results of the evaluations over the last five years are shown in Figure 11.

Each National Historic Site with poor ratings on one or more elements of CI is assessed three-years after the last commemorative integrity evaluation to

FIGURE 11: STATUS OF COMMEMORATIVE INTEGRITY OF PARKS CANADA ADMINISTERED NATIONAL HISTORIC SITES

	Number of Sites with Rating															% Over Last Five Years		
	2006-2007 (n=20)			2005-2006 (n=19)			2004-2005 (n=13)			2003-2004 (n=14)			2002-2003 (n=18)					
	RC	EC	MP	RC	EC	MP	RC	EC	MP	RC	EC	MP	RC	EC	MP	RC	EC	MP
Good	8	6	4	5	6	6	5	3	2	6	2	5	4	1	0	33	22	20
Fair	11	7	12	10	7	9	6	5	8	8	9	7	9	10	13	53	45	58
Poor	1	7	4	4	6	4	2	5	3	0	3	2	5	7	5	14	33	22

Source: Commemorative Integrity database

RC=Resource Condition, EC=Effective communication, MP=Management Practices

- Sites selected for evaluation each year represent a mix of size and location and differ in their complexity of operation and themes. New sites are selected for evaluation each year and no site has been evaluated more than once. All evaluated sites have a completed commemorative integrity statement (CIS). It cannot be assumed that the sites are representative of other national historic sites administered by Parks Canada and the samples of sites evaluated each year should not be used to infer any general changes in resource condition, effectiveness of communication or management practices of Parks Canada-administered national historic sites over time

determine if it has developed and implemented strategies to address deficiencies. This assessment is completed by managers who are requested to identify specific actions taken over the last three years (completed and ongoing); identify short-term action in their Field Unit Business Plan; and provide an opinion on whether the problem(s) that led to the overall poor rating are completely resolved, partially resolved, or not yet resolved. The assessments are not formal re-evaluations of the commemorative integrity elements of a site and provide only an indication of whether any action has been undertaken to improve the condition of those elements of the original evaluation that had been rated 'poor'. Results of the assessments over the last three years are shown in Figure 12.

Although Parks Canada has achieved a 69.5% average over the past three years it will not meet the stated goal of 80% improvement within the prescribed timeline. Re-evaluations of the commemorative integrity of national historic sites have not been conducted because of resource limitations.

Since the Agency secured new asset funding in 2005, it has been allocated to most urgent health and safety projects. Ramping-up of the capital funding over the next couple of years means that the needed investments in the re-capitalization of cultural assets will begin, although not as intensely as was described in the long-term capital plan of the Agency.

FIGURE 12: STATUS OF ACTIONS TAKEN TO ADDRESS POOR RATINGS OF CI

	2006-2007 Survey of 4 Sites Receiving Poor Ratings in 2003-2004			2005-2006 Survey of 12 Sites Receiving Poor Ratings in 2002-2003			2004-2005 Survey of 6 Sites Receiving Poor Ratings in 2001-2002		
	RC	EC	MP	RC	EC	MP	RC	EC	MP
# of Poor Ratings	0	3	2	5	7	5	1	5	1
# of Sites Reporting Taking Steps to Improve	0	3	0	5	4	4	1	3	1
# and % of Poor Ratings Improved	3 of 5 (60%)			13 of 17 (76%)			5 of 7 (71%)		

Source: Parks Canada's Self-Assessment Survey of Sites With Poor Ratings

RC=Resource Condition, EC=Effective communication, MP=Management Practices

PROGRAM ACTIVITY 3: PROMOTE PUBLIC APPRECIATION AND UNDERSTANDING

Encourage the Support and Involvement of Canadians and Stakeholders and their Knowledge and Appreciation of Canada's Heritage Places.

Develop Indicators, Expectations and Protocols for Measuring Public Appreciation and Understanding of Canadians and Stakeholders by March 2007(Performance Expectation # 17):

Promoting public appreciation and understanding involves programs and activities that are aimed at reaching Canadians at home, at leisure, at school and in their communities through relevant and effective learning and involvement opportunities that respond to their needs and interests.

At the 2005 Minister's Round Table on Parks Canada, participants made six recommendations relating to the theme of facilitating More Memorable Visitor Experiences and, under the theme Towards a Culture of Conservation, made recommendations relating to education and outreach, communicating, and socio-economic market research (to see the complete Parks Canada response to the 2005 Minister's Round Table recommendations visit the Agency website and look under Library).

Parks Canada has created the External Relations and Visitor Experience Directorate to provide national leadership and direction in this area. An evolving

function within the newly formed Directorate is public appreciation, understanding and engagement. The Agency established a performance expectation of developing indicators, expectations and protocols for measuring public appreciation and understanding by March 2007. Although this target has not yet been met, the Agency has made progress. There are several examples provided of initiatives that demonstrate progress toward meeting the performance expectation and planned result.

In 2006/2007, work was completed on the review of corporate literature to identify and define the scope, themes and areas of focus of the program activity. The analysis led to the identification of the core concept areas for Program Activity #3 of understanding, appreciation, support and engagement.

Based on the core concept areas a new planned result and performance expectation for enhance visitor experience was developed and presented in the 2007/08-2011/12 Agency Corporate Plan. In addition, as part of the exercise to realign the Agency Program Activity Architecture (PAA) two areas of interest, outreach education and engagement were added. The new PAA structure was presented to Treasury Board and approved in 2007/2008.

Work is continuing to further refine the planned results and performance expectations and develop the protocols and targets for measuring results. The new performance framework for Program Activity #3 will be integrated into the 2008/09-2012/13 Corporate Plan.

Support and Involvement:

Parks Canada conducted national telephone opinion surveys, in 2002 and 2005 to assess Canadians' knowledge about Parks Canada and their attitudes toward environmental protection, heritage conservation and recreation. There were no surveys conducted in 2006-2007.

In 2005 more than 6,000 randomly selected Canadians responded, representing a response rate of 10%. Parks Canada plans to examine its survey methodology in 2007-2008 to improve response rates.

In the most recent survey, 2005, Parks Canada inquired about the importance of natural and cultural heritage to individual Canadians. Nearly all respondents (99%) agreed that it was important that Canada protect natural areas and the environment. A similar high percentage of respondents were in agreement with the importance of protecting significant historic places.

Canadians' trust in Parks Canada was also assessed. One in two respondents indicated they had 'a great deal' of trust in Parks Canada as a steward of natural and cultural heritage. Only one in eight respondents (13%) had the same level of trust in the federal government in general to be a responsible steward of heritage resources.

Over the past 25 years, Parks Canada has had and continues to have a strong connection with Canadians through its volunteer and cooperating association initiatives. Volunteering is a tangible demonstration of public belief in Parks Canada and its goals.

Canadians have expressed ongoing interest in being involved with and participating in Parks Canada's programs. The Agency strives to create the

conditions to allow this to happen including new site-specific opportunities volunteering at archaeological digs.

Volunteers work under the supervision of Agency staff and provide services that enhance the existing Parks Canada service offer. Volunteer numbers have remained stable over time with 3,000 to 5,000 volunteers providing up to 150,000 hours of their time annually. Periodically there is a large year-to-year fluctuation in the number of volunteers and volunteer-hours. A military re-enactment, a periodic event, may involve up to 2,500 volunteers and many volunteer-hours.

Statistics Canada has released a number of studies that relate to volunteerism. The number of people volunteering in Canada has been in steady decline over the past decade and, the number of hours worked by those who continue to volunteer has been increasing. The Agency has not conducted that type of study but believes that the stability of its volunteer base is reflective of the level of support and involvement it enjoys with Canadians.

Cooperating associations (also known as "Friends of") are not for profit organizations that have an education component in their mandate. They function independently but in partnership with the Agency, providing a range of services (e.g. retail sales outlets). In 2006/2007 there were 54 cooperating associations working at 72 parks and sites. Some cooperating associations work with multiple sites.

Knowledge and Appreciation:

The 2005 national survey poll results found a slight decrease in the number of Canadians, from 2002, who are aware³ of both the national parks and national historic sites programs. Respondents are aware of heritage areas although awareness was higher for national parks (59%) than for national historic sites (46%).

Engaging Canadians at Home

The web is a tool increasingly used by visitors, partners and stakeholders, urban youth and educators. A Canadian Radio and Television Commission study on new media reveals that nearly two-thirds of the country's households were on-line in 2006 and that use of the Internet to search for specific information was the second most popular online activity, only e-mail surpassed information search.

In 2004, an evaluation was conducted of the Parks Canada website. That evaluation showed that a majority of users (54%) visited the website to plan a trip. Parks Canada recognizes that the first step in the trip cycle is the pre-trip planning- a step usually initiated at home. Parks Canada offers a multi-channel suite of pre-trip planning services: the web, the national toll-free information line, the campground reservation service and printed material.

In 2006, Parks Canada revised the structure, design and visitor information content available on our website. This was done to bridge the identified gaps between consumers' needs and expectations and what the website had offered. The new "Planning Your Visit" section of the website was launched as information for each park and site was compiled, in February and March 2007.

The Agency believes that changes to the trip planning portion of the website will increase user satisfaction by enabling website users to access relevant information quickly and on-line from home computers. In 2006/2007, more than 1.2 million website users visited the "Planning Your Visit" section of the Parks Canada website. As new media use increases in Canada, the Agency expects an increase in the number of persons accessing the Agency website and specific elements of that site as Canadians increasingly turn to the web to search for information.

It is anticipated that average handle time for call centre calls, will decrease because call centre associates use the web as their primary source of information. The Agency will be able to measure

the change in the number of website visits (a measure of reach) and the time taken to respond to web inquiries. There are no immediate plans to conduct a follow-up user requirements analysis or user satisfaction analysis.

Parks Canada In Schools (PCIS)-Teacher's Corner

In the 2006/2007 Corporate Plan, the decision makers of tomorrow, the youth of Canada were singled out as an audience segment to be reached. A way of making that connection is through the schools.

The Parks Canada In Schools program connects with teachers of history/social studies, geography and natural science programs in grades 4-12 in all provinces and territories. The Teacher's Corner on the Parks Canada website provides bilingual, curriculum-based learning resources for teachers across the country. The site houses more than 100 curriculum linked resources. Analysis of visitation to the Teacher's Corner section of the website shows a growth from 378,079 in 2005/2006 to 834,369 visits in 2006/2007.

To ensure that the site content meets the needs of teachers, the usability and efficacy of the Teacher's Corner were evaluated. Nine focus groups of teachers took place in five locations across Canada. Findings indicated that teachers were impressed with the high quality of the content and wanted more resources added to the site. These and other technical suggestions made during the focus group sessions will be acted upon to improve the Teachers' Corner in 2007.

At the present time, the Agency does not carry out testing/surveying of the students whose courses include Agency developed material. Such initiatives are being considered as part of the development of the performance framework for program activity # 3 that is underway.

Canadian Geographic Kids

Many urban youth will not visit a park or national historic site in person. Reaching this important market segment via the medium of television has been a priority for the Agency. 2006/2007 saw the production and airing of season six of Canadian Geographic (CG Kids). CG Kids is a television series for children ages 8 to 12; program hosts Sid and Cat travel across the country to discover Canada's natural and cultural heritage. Season six provided excellent profile for Parks Canada with 11 of the 13 episodes featuring National Parks, National Historic Sites and Parks Canada staff. The programs began airing on the Aboriginal Peoples Television Network (APTN) in January of 2007, and continue to be aired on APTN and Discovery Kids. CG Kids is a partnership initiative and program content is not exclusively that of the Agency.

The Agency does not have a comprehensive picture of the performance results of the initiative except for a focus group study conducted in 2005/2006. The External Relations and Visitor Experience Directorate, as part of its performance framework initiative will, in 2007/2008, be considering ways to measure the results of initiatives such as CG Kids.

Connectivity

Digital communications technologies have exploded onto the scene in the last decade and have changed the way people live, work, play, socialize and learn. Parks Canada launched the "Connectivity Initiative" to reach Canadians who do not regularly visit parks or sites but who are still interested in experiencing their cultural and natural heritage.

Interactive videoconferencing events were conducted as pilots in 2006 at Parks Canada's Discovery Centre in Hamilton, Ontario and the Ontario Science Centre in Toronto. Urban audiences at these two locations were connected with Parks Canada staff at Pacific Rim National Park Reserve in British Columbia. Two marine biologists and a park warden described the Park's marine ecosystems and the research and monitoring work underway in order to better understand and protect the Park. Audiences learned first-hand from these specialists and were able to ask questions about wildlife and other matters including environmental ethics. Following the videoconference, participants were focus tested and a formal evaluation report was prepared. Parks Canada has also conducted a market research study and a literature review to assess the potential for a wider scale, Connectivity Initiative of this type of programming. Parks Canada will build a performance framework for public appreciation, understanding and engagement that will include measuring "Connectivity" results.

PROGRAM ACTIVITY 4: ENHANCE VISITOR EXPERIENCE

This Program Activity area has the most public contact and provides the public face of the Agency. The Agency, in cooperation with its partners and stakeholders, facilitates opportunities for visitors to enjoy memorable, high-quality visitor experiences, through the provision of programs, services, infrastructure, facilities and interaction with Parks Canada personnel. Visitor experience is intertwined with other Parks Canada key mandate elements of education and protection.

Quality visitor services include pre-visit and on-site planning information, visitor reception and orientation services, campgrounds, hiking trails, canal recreational services and other recreational services, public safety and post visit information and engagement. Partners including "Friends of"

associations and the Canadian Avalanche Association deliver some of these services on Parks Canada's behalf.

The Visitor Experience Program Activity was re-aligned in 2006/2007 to include on-site educational activities associated with learning and interpretation.

Parks Canada is but one of a number of organizations involved in facilitating opportunities for visitors. Provincial, territorial and municipal governments, tourism associations and the private sector all play a role in attracting visitors. Parks Canada can influence but not control all aspects of the activity. There are also higher-level issues such as security concerns and monetary exchange rates that are beyond the control or influence of the Agency.

Encourage Experiences and Emotional Connections, Meet Visitor Expectations and Facilitate Learning Opportunities

Parks Canada uses a variety of mechanisms to monitor visitor expectations, and their level of satisfaction with the services it delivers. This is done within the overall context of the Government's commitment to improve the quality of service it offers to Canadians and, to provide services that Canadians want. The mechanisms used by Parks Canada include the monitoring of consumer and tourism trends, consultation sessions undertaken to develop management plans, forming local advisory

committees and management boards, assessing the comment cards completed by visitors, and the program of visitor surveys.

The Agency does not have, at the present time, a way to measure emotional connection of the visitor to/with the special heritage place that is being visited. The initiative to develop a comprehensive performance framework for Program Activities three and four, will consider how this important aspect of the visitor experience can be measured.

The Agency has increased its capacity in social sciences by hiring a Chief Social Scientist, in recognition of the need to improve research standards and have a directed and coordinated social science research program for programming and investment decisions.

Parks Canada has over the years, conducted/ participated in national polling. To date, this polling, while generating interesting data, has not given the Agency sufficient information on all aspects of the Agency's programs it needs to fully inform decision-making. Parks Canada is making efforts to address social science information gaps. Consideration is being given to develop a social monitoring network to gather and disseminate data to understand, track and respond to social and visitor trends, thereby enhancing the Agency's ability to make better-informed social science-based decisions and better manage risk. The Agency will decide on and identify preferred approaches and present them in its Corporate Plan.

Number of Visits to Parks Canada Sites: Parks Canada counts or estimates the number of person-visits at 128 reporting units (i.e., 36 national parks, two national marine conservation areas, and 90 national historic sites and exhibits administered by Parks Canada). A person visit is defined as:

"Persons entering lands or marine areas within a reporting unit for recreational, educational or cultural purposes during operating hours are counted as person-visits. Through traffic, commercial traffic, persons residing within a reporting unit, staff, military training activities, and traditional indigenous subsistence activities are all excluded from the person-visit count. In addition, persons re-entering on the same day, and persons staying overnight in a reporting unit do not constitute new person-visits."

In 2006-2007 there were an estimated 21.7 million person visits, approximately 13.0 million to national parks and 8.7 million to national historic sites. Details of the estimated person-visits for each of Parks Canada's reporting sites over a five-year period are available on Parks Canada's web site library at www.pc.gc.ca.

Measuring Visitor Use, Satisfaction and

Understanding: Parks Canada uses a variety of mechanisms to monitor visitor expectations, and their level of satisfaction with the services it delivers. This includes monitoring consumer and tourism trends, consultation sessions undertaken to develop management plans, forming local advisory committees and co-management boards, assessing the comment cards completed by visitors, and the program of visitor surveys.

The Visitor Information Program (VIP) provides information on visitors' use of products and services and their satisfaction with aspects of their visit. This is done through the use of a standard survey administered at least once every five years, at 114 of the national parks, national historic sites, or heritage places and exhibits administered by Parks Canada. 111 of these sites report the number of person-visits to the site and they account for 98% of the recorded visits to national parks and national historic sites. Some parks (6) and historic sites have low visitation and are not part of the five-year survey cycle.

The Visitor Information Program is a national initiative that is in its second five 5-year cycle. In each cycle, all 114 sites are to be surveyed. In any particular year, not all scheduled sites are surveyed because of budget or capacity issues (inability to hire survey staff).

Parks Canada's VIP initiative provides important information to parks/sites about their visitors. However, the Agency recognizes that, as presently structured and delivered, the program is unable to provide regular and consistent information needed in order to meet the needs and expectations of Canadians. In 2006/2007 work began on the elaboration of a revised performance framework for

the new External Relations and Visitor Experience Directorate (referenced elsewhere in this report). The revised performance framework has implications for information needs acquired through the VIP. Parks Canada is exploring options to improve the structure and delivery of VIP surveys to accommodate existing and new demands for visitor information. This work will be completed in 2007/2008.

During 2006-2007 visitor surveys were conducted at 14 locations (i.e., 3 national parks and 11 national historic sites including 2 canals/waterways). There were no visitor surveys conducted at national marine conservation areas in 2006/2007.

Results of the surveys conducted as part of the VIP do not necessarily apply to all visitors throughout the year nor to visitors who did not visit the survey locations, nor to other parks and historic sites in the system that did not participate in the survey.

There were 203,000 visitors to the surveyed sites during the peak survey period of June, July, August and September. For the three national parks surveyed, 1,596 visitors were asked to participate in the VIP survey. Of those, 1,397 agreed to participate (87%) and, 609 questionnaires were completed and returned. Every attempt is made to get 400 survey completions at each participating location. According to sampling theory, an effective sample size is logarithmic compared to population size (the larger the population gets, once you hit a plateau, having a larger sample does little to change the confidence level in the data). To get a 5% margin of error with 95% confidence (industry standard) for a population of 203,000 would be slightly less than 400 completions (the plateau).

For the 11 national historic sites surveyed, 10,348 visitors were asked to participate in the VIP survey. Of these, 7,777 agreed to participate (75%) and 6,170 questionnaires were completed and returned.

Response rates (i.e., the percentage of visitors approached to participate in the survey who returned questionnaires) for the 2006-2007 surveyed sites, was 59.6% (overall average) and the per site

rate varied between 32% and 56% in the three national parks and between 39% and 86% in the eleven national historic sites/canals.

50% of Visitors to National Parks and National Marine Conservation Areas Participate in Learning Experiences (Performance Expectation #19):

Visitors are asked to identify themselves as users/participants of specific products or services prior to rating satisfaction with these services. On average 71% of the visitors at the three participating national parks used at least one heritage presentation product or service in 2006-2007. There were no surveys conducted in national marine conservation areas in 2006/2007.

80% of Visitors to National Historic Sites Participate in Learning Experiences (Performance Expectation #19):

On average 89% of visitors to the eleven surveyed sites reported they used at least one heritage presentation product or service.

The level of participation in heritage presentation programs and activities is usually higher for national historic sites/canals than national parks/national marine conservation areas, likely because heritage presentation is a core element of the visitor experience at historic sites, while many visitors to national parks come primarily for recreational purposes.

85% of Visitors are Satisfied and 50% are Very Satisfied with their Experience at National Parks and National Marine Conservation Areas (Performance Expectation #20):

Visitors are asked in the VIP to rate their satisfaction with several aspects of their visit and their overall satisfaction, on a five-point scale ranging from five, very satisfied, to one, not at all satisfied. Results for the last four years are shown in Figure 13. There were no surveys conducted at national marine conservation areas in 2006/2007.

85% of Visitors are Satisfied, and 50% are Very Satisfied with their Experience at National Historic Sites (Performance Expectation #20):

Visitors are asked to rate their satisfaction with several aspects of their visit on a five-point scale ranging from five, very satisfied, to one, not at all satisfied. Results for the last four years are shown in Figure 14.

Results for overall visit satisfaction are consistent with the results of national surveys on the perceived quality of government services (e.g., *Citizens First*

(1998), *Citizens First* (2000), *Citizens First 3* (2003) and *Citizens First 4* (2005)) where the quality of the services offered in national parks were consistently among the highest rated federal government services. High levels of visitor satisfaction are typical of government services involving direct benefits to the public, public information and recreational land (see for example surveys by the U.S. National Parks Service, www.nature.nps.gov/socialscience, and the American Customer Satisfaction Index, Government Satisfaction Scores, December 16, 2002, www.theacsi.org).

FIGURE 13: VISITORS SATISFACTION WITH OVERALL VISIT AT NATIONAL PARKS

Year	2006-2007	2005-2006	2004-2005	2003-2004
# of Sites Surveyed	3	6	1	1
85% of Visitors Satisfied	met	met	met	met
50% of Visitors Very Satisfied	met	met	met	met

Source: Parks Canada Visitor Information Program

FIGURE 14: VISITORS SATISFACTION WITH OVERALL VISIT AT NATIONAL HISTORIC SITES

Year	2006-2007	2005-2006	2004-2005	2003-2004
# of Sites Surveyed	11	13	8	6
85% of Visitors Satisfied	met	met	met	met
50% of Visitors Very Satisfied	met	met	met	met

Source: Parks Canada Visitor Information Program

SECTION 3:

SUPPLEMENTARY

INFORMATION

This section indicates how Agency program activities align with Government of Canada outcome areas. It also reports on Parks Canada's progress against specific government initiatives and policies, as required by Treasury Board of Canada. Progress is reported for:

1. Parliamentary Committees and External Audits;
2. Internal Audits and Evaluations;
3. Sustainable Development;
4. Client Centred Service; and
5. User Fees.

Alignment to Government of Canada Outcome Areas

Agency Strategic Outcome	Link to Government of Canada Outcome Area
Protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, appreciation and enjoyment in ways that ensure the ecological integrity of these places for present and future generations.	<ul style="list-style-type: none"> • Clean and healthy environment • Vibrant Canadian culture and heritage • Strong economic growth • Safe and secure communities
Program Activity	
1. Establish Protected Heritage Areas <ul style="list-style-type: none"> • National parks and national marine conservation areas • National historic sites 	<ul style="list-style-type: none"> • Clean and healthy environment • Vibrant Canadian culture and heritage
2. Conserve Heritage Resources <ul style="list-style-type: none"> • Ecological integrity of national parks • Sustainability of national marine conservation areas • Commemorative integrity of cultural resources 	<ul style="list-style-type: none"> • Clean and healthy environment • Clean and healthy environment/strong economic growth • Vibrant Canadian culture and heritage
3. Promote Public Appreciation and Understanding	<ul style="list-style-type: none"> • Vibrant Canadian culture and heritage
4. Enhance Visitor Experience	<ul style="list-style-type: none"> • Vibrant Canadian culture and heritage
5. Townsite Management	<ul style="list-style-type: none"> • Safe and secure communities • Clean and healthy environment
6. Throughway Management <ul style="list-style-type: none"> • Highways • Historic waterways 	<ul style="list-style-type: none"> • Strong economic growth • Vibrant Canadian culture and heritage

Program Activity	Planned Spending	2006-2007
		Actual Spending
1. Establish Protected Heritage Areas	26,285	22,716
2. Conserve Heritage Resources	218,900	207,772
3. Promote Public Appreciation and Understanding	70,739	78,120
4. Enhance Visitor Experience	199,589	189,598
5. Townsite Management	12,853	13,503
6. Throughway Management	59,070	92,906

Parliamentary Committees and External Audits

Parliamentary Committees

There were no recommendations to Parks Canada from Parliamentary Committees in 2006-2007.

Auditor General

In February 2007, the Office of the Auditor General published a chapter entitled "The Conservation of Federal Built Heritage". Recommendation 2.36 applies to Parks Canada.

External Audits

The Office of the Auditor General completed an external audit of 2006-2007 financial statements of Parks Canada.

Internal Audits and Evaluations

A. Internal Audits

Name	Audit Type	Status	Completion Date	Electronic Link
Audit of Key Financial Processes at:				
Yukon Field Unit	Key financial and administrative processes	Completed	October 16, 2006	www.pc.gc.ca/docs/pc/rpts/rv-par/index_e.asp
Gwaii Haanas Field Unit		Completed	December 18, 2006	
Southwestern Ontario Field Unit		Completed	March 26, 2007	
Northern Ontario Field Unit		Completed	March 26, 2007	
Eastern Ontario Field Unit		Completed	March 26, 2007	
Central Ontario Field Unit		Completed	March 26, 2007	
Ontario Service Centre - Cornwall		Completed	March 26, 2007	
Saskatchewan South		Completed	March 26, 2007	
Gaspésie		Completed	March 26, 2007	
Northern New Brunswick		Completed	March 26, 2007	
Mingan		Completed	March 26, 2007	
Southwest NWT		Completed	March 26, 2007	
Cape Breton		Awaiting Approval		
Western Quebec		Awaiting Approval		
Audit of Pay and Benefits	Pay and benefit processes	Awaiting Approval		
Follow-up Audit of Key Financial Processes at the Nunavut Field Unit	Key financial and administrative processes	Awaiting Approval		
Audit of Staffing	Staffing processes	In-progress		

B. Evaluations

Name	Evaluation Type	Status	Completion Date	Electronic Link
Formative Evaluation of Federal Species at Risk Programs	Horizontal Initiative	Completed	July 18, 2006	www.pc.gc.ca/docs/pc/rpts/rv-par/index_e.asp
Formative Evaluation of the Commercial Heritage Properties Incentive Fund	Contribution Program	Completed	January 29, 2007	
Formative Evaluation of the Engaging Canadians Strategy	External Communication Strategy	Completed	March 26, 2007	
Evaluation of Capital Programs	Asset Management	In-progress		
Learning Strategy Evaluation Framework	Learning and Training	In-progress		
EI Funds Evaluation Framework	Science-based program	In-progress		

Electronic Link to Parks Canada's Internal Audit and Evaluation Plan: www.ths-sct.gc.ca/rma/dpr3/06-07/index_e.asp

Sustainable Development Strategy

The Parks Canada Agency is required to submit a Sustainable Development Strategy (SDS). The 2007-2009 Agency SDS is available on-line at www.pc.gc.ca under Library.

The Parks Canada Agency is in the business of sustainable development. Its mandate, "to protect and present...examples of natural and cultural heritage...for present and future generations" aligns perfectly with the government commitment to "development that meets the needs of the present without compromising the ability of future generations to meet their needs."

The commitments in the 2007-2009 Agency SDS mirror those in 2006-2007 Report on Plans and Priorities and, the 2006/2007-2010/2011 Corporate Plan.

This Departmental Performance Report provides the performance information related to goals, objectives, targets and progress contained in the 2007-2009 SDS. That performance reporting will not be replicated in this section.

Client Centred Service

Supplementary information on Client Centred Service can be found at www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

2006-2007 User Fee Reporting Template 9-A: User Fees Act

A. User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2006-2007					Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Estimated Full Cost (\$000)	Performance Standard	Performance Result	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Entry Fees	Service	Parks Canada Agency Act	Increased in 2006	\$43,900	\$48,958	\$174,468	85% of visitors are satisfied	100% of sampled locations exceed the standard	2007/08	\$45,180	\$161,232
									2008/09	\$50,300	\$164,548
									2009/10	\$50,300	\$164,032
Camping Fees	Service	Parks Canada Agency Act	Increased in 2005	\$17,611	\$14,748	\$23,326	85% of visitors are satisfied	100% of sampled locations exceed the standard	2007/08	\$18,131	\$24,615
									2008/09	\$20,211	\$25,134
									2009/10	\$20,211	\$25,603
Lockage and mooring fees	Service	Parks Canada Agency Act	Lockage increased in 2006 Mooring increased in 2005	\$2,648	\$2,548	\$24,305	85% of visitors are satisfied	100% of sampled locations exceed the standard	2007/08	\$2,728	\$25,648
									2008/09	\$3,048	\$26,189
									2009/10	\$3,048	\$26,678
Pools	Service	Parks Canada Agency Act	Increased in 2003	\$3,603	\$3,847	\$7,461	85% of visitors are satisfied	For the 2006 cycle no locations with this service were surveyed.	2007/08	\$3,603	\$7,874
									2008/09	\$3,603	\$8,040
									2009/10	\$3,603	\$8,190
Real Property and Business Fees	Rights and Privileges	Parks Canada Agency Act	Increased in 2003/04 where terms of leases and licenses expired and where rent review provisions exist.	\$16,457	\$17,248	\$13,010	Not applicable	Not applicable	2007/08	\$16,457	\$13,479
									2008/09	\$16,457	\$13,549
									2009/10	\$16,457	\$13,662

2006-2007 User Fee Reporting Template 9-A: User Fees Act (cont'd)

A. User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2006-2007					Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000) ¹	Estimated Full Cost (\$000)	Performance Standard	Performance Result	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Municipal Services	Services	Canada National Parks Act	Water and sewer fees increased in 2001; remainder in 2003. Garbage fees increased in 1996	\$2,676	\$2,716	\$13,905 ²	For water, the Guidelines for Canadian Drinking Water Quality (2002) is the current standard. For wastewater, PCA will meet Federal Guidelines (1976) for effluent quality and work towards setting and meeting PCA leadership standards that are based on the receiving waters of each community. Garbage collection frequencies will be as established in consultation with Community Councils and Business Community.	Canadian Drinking Water Guidelines and Sewage Effluent Quality Guidelines were met 100% of the time in 6 out of 7 park communities.	2007/08	\$2,676	\$12,462
									2008/09	\$2,676	\$12,577
									2009/10	\$2,676	\$12,783
Other Revenues	Other goods and services	Parks Canada Agency Act	Business license fees increased in 1994; Other fees increased in 2006	\$12,871	\$11,454	\$24,538	85% of visitors are satisfied	100% of sampled locations exceed the standard	2007/08	\$12,991	\$25,894
									2008/09	\$13,471	\$26,440
									2009/10	\$13,471	\$26,934
Total				\$99,766	\$101,519	\$281,014			2007/08	\$101,766	\$271,203
									2008/09	\$109,766	\$276,476
									2009/10	\$109,766	\$277,883

¹ 2006/07 actual revenues exclude \$5,977k in reported non-fee related Agency revenues (eg. accounting adjustments, sale of crown assets).² Includes water, sewer, garbage, snow removal, road maintenance and fire services.

B. Date Last Modified

Multi-year fees for entry, camping, lockage and mooring and other revenues (excluding business licenses) were approved in June 2005 for the years 2005-06 to 2008-09. New revenues are to be directed to maintain and improve associated services and facilities.

National Consultations were held prior to the User Fees Act in 2003-04. Parks Canada consulted locally with the public and stakeholders through meetings with advisory and client groups and through direct mailings. On a corporate level, Parks Canada consulted with national stakeholders and interest groups and conducted a national public opinion poll and focus group sessions. Notice was also provided on the Parks Canada website on proposals for fee increases.

There was widespread acceptance of the fee proposal on the condition that Parks Canada honour its commitment to invest the related revenue growth to rebuild deteriorated visitor facilities. To address concerns raised by users during consultations, Parks Canada made three major adjustments to its multi-year fee strategy prior to approval:

- The phase-in period for implementation was extended from 3 to 4 years for all visitor services in order to stagger price increases and reduce the cumulative impact of increasing all fees at the same time;
- To respect our commitment to provide 18 months advance notice, implementation of proposed new commercial group fees was deferred until April 1, 2007 and the phase-in period extended from two to three years (2007, 2008 and 2009); and
- The business licence fee proposal was withdrawn from the fee submission. A revised business license proposal will reflect further research of municipal charging practices across Canada.

Following consultations, a comparison of Parks Canada's proposed fees with those charged by parks organizations in other countries was conducted. This research was carried out in the summer of 2004 and was incorporated into the submission. The Parks Canada's multi-year fee strategy was tabled in Parliament in March 2005 pursuant to the User Fees Act.

On July 1st of 2006, the Government of Canada implemented a 1% reduction to the GST. This affected all fees seeing that the GST is included in all of Parks Canada approved fees. This reduction is not reflected in the date last modified column.

2006-2007 External Fee Reporting Template 9-B: Policy on Service Standards for External Fees

Supplementary information on Service Standards for External Fees can be found at www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

SECTION 4: AUDITED ACCRUAL FINANCIAL STATEMENTS

PARKS CANADA AGENCY

Management Responsibility for Financial Statements

The accompanying financial statements of the Parks Canada Agency are the responsibility of management and have been approved by the Executive Board of the Agency as recommended by the Audit and Evaluation Committee of the Agency.

These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General. They include amounts that have been estimated according to management's best judgement. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with that provided in the financial statements.

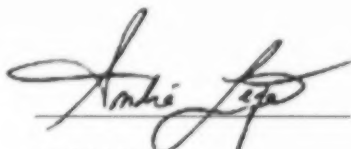
Management has developed and maintains books of accounts, records, financial and management controls and information systems. They are designed to provide reasonable assurance that the Agency's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations, the *Parks Canada Agency Act*, and internal policies of the Agency. Internal audits are conducted to assess the performance of management controls and practices.

The Audit and Evaluation Committee is responsible for receiving all internal audits, evaluation and review studies for information and/or approval. The Committee also receives and reviews plans and reports by the Agency's External Auditor and actively solicits her advice about the quality of the Agency's management system, and information for decision-making.

The Agency's external auditor, the Auditor General of Canada, has audited the financial statements and has reported on her audit to the Chief Executive Officer of the Agency and to the Minister of the Environment.



Alan Latourelle
Chief Executive Officer



André Léger
Executive Director, Finance

August 3, 2007



Auditor General of Canada
Verificatrice générale du Canada

AUDITOR'S REPORT

To the Chief Executive Officer of Parks Canada Agency and the Minister of the Environment

I have audited the statement of financial position of Parks Canada Agency as at March 31, 2007 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
August 3, 2007

PARKS CANADA AGENCY

Statement of Financial Position as at March 31

(in thousands of dollars)

	2007	2006
Assets		
Financial assets:		
Cash entitlements (Note 3)		
General operations account	60,523	62,628
Specified purpose accounts	2,740	2,931
New parks and historic sites account	13,902	12,422
	77,165	77,981
Accounts receivable	8,314	10,301
	85,479	88,282
Non-Financial assets:		
Prepaid expenses	5,450	3,516
Inventory of consumable supplies (Note 4)	5,238	5,294
Tangible capital assets (Note 5)	1,437,044	1,420,046
Collections and archaeological sites (Note 6)	1	1
	1,447,733	1,428,857
	1,533,212	1,517,139
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities		
Federal government departments and agencies	10,781	14,248
Others	62,462	63,552
	73,243	77,800
Employee future benefits (Note 8)	4,507	3,953
Deferred revenue (Note 7)	12,171	12,603
	89,921	94,356
Long-term liabilities:		
Employee future benefits (Note 8)	49,522	45,695
Provision for environmental clean-up (Note 9)	40,028	36,775
	179,471	176,826
Equity of Canada	1,353,741	1,340,313
	1,533,212	1,517,139

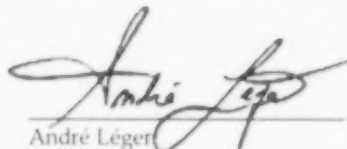
Contingencies and commitments (Notes 9 and 14)

The accompanying notes are an integral part of the financial statements.

Approved by:



Alan Latourelle
Chief Executive Officer



André Léger
Executive Director, Finance

PARKS CANADA AGENCY

Statement of Operations for the Year Ended March 31

(in thousands of dollars)

	2007	2006
Expenses (Note 10)		
Stewardship of National Heritage Places		
Establish Heritage Places	19,942	20,936
Conserve Heritage Resources	214,092	210,703
Promote Public Appreciation and Understanding	88,506	83,685
	<u>322,540</u>	<u>315,324</u>
Use and Enjoyment by Canadians		
Enhance Visitor Experience	166,446	173,833
Townsite Management	10,770	9,792
Throughway Management	46,513	33,648
	<u>223,729</u>	<u>217,273</u>
Amortization of tangible capital assets	<u>83,026</u>	<u>82,099</u>
Total expenses	629,295	614,696
Revenues (Note 11)	<u>102,995</u>	<u>97,404</u>
Net cost of operations (Note 12)	<u>526,300</u>	<u>517,292</u>

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Statement of Equity of Canada for the Year Ended March 31

(in thousands of dollars)

	2007	2006
Balance at beginning of year	1,340,313	1,374,484
Adjustment to the new parks and historic sites account (Note 3c)	-	17,263
Adjusted balance at beginning of year	1,340,313	1,391,747
Net cost of operations	(526,300)	(517,292)
Services received without charge (Note 13)	43,666	45,981
Net cash provided by Government	496,878	448,575
Change in cash entitlements	(816)	(28,698)
Balance at end of year	1,353,741	1,340,313

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Statement of Cash Flow for the Year Ended March 31

(in thousands of dollars)

	2007	2006
Operating activities		
Net cost of operations	526,300	517,292
Items which do not involve cash:		
Amortization of tangible capital assets	(83,026)	(82,099)
Net (loss) gain on disposal of tangible capital assets	(1,126)	18
Services received without charge	(43,666)	(45,981)
Variations in Statement of Financial Position		
(Decrease) increase in accounts receivable	(1,987)	1,340
Increase in prepaid expenses	1,934	3,516
Decrease in inventory of consumable supplies	(56)	(217)
Decrease in accounts payable and accrued liabilities	4,557	17,032
Decrease (increase) in deferred revenues	432	(647)
Increase in employee future benefits	(4,381)	(6,748)
Increase in provision for environmental clean-up	(3,253)	(14,381)
Cash used in operating activities	395,728	389,125
Capital investment activities		
Acquisitions and improvements to tangible capital assets	101,678	61,632
Proceeds on disposal of tangible capital assets	(528)	(2,182)
Cash used in capital investment activities	101,150	59,450
Net cash provided by Government	496,878	448,575

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Notes to Financial Statements for the Year Ended March 31 2007

(Tables in thousands of dollars)

1. Authority and Objectives

In December 1998, Parks Canada Agency (the Agency) was established under the *Parks Canada Agency Act* as a departmental corporation and acts as an agent of Her Majesty of Canada. The Parks Canada Agency is a separate entity listed under Schedule II of the *Financial Administration Act* and reports to the Minister of the Environment. The Agency is not subject to the provisions of the *Income Tax Act*.

The Agency's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, for present and future generations. In carrying out its mandate, the Agency delivers the programs set out in the Agency's legislation and authorities.

The authorities for the programs for which Parks Canada is responsible are derived from the *Parks Canada Agency Act*, the *Canada National Parks Act*, the *Historic Sites and Monuments Act*, the *Canada National Marine Conservation Areas Act*, the *Department of Transport Act*, and the *Heritage Railway Stations Protection Act*.

2. Significant Accounting Policies

The Agency's financial statements are prepared in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, and year-end instructions issued by the Office of the Comptroller General.

a) Parliamentary appropriations:

The Agency is financed mainly by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to Canadian generally accepted accounting principles, as they are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 12 provides a high level reconciliation between bases of reporting.

b) Deferred revenue:

Deferred revenue includes revenues received in advance of the services to be provided and funds received from external parties for specified purposes. Deferred revenue is recognized as revenue when the services are provided.

c) Inventory of consumable supplies:

Inventories consist of consumable supplies not intended for re-sale. They are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value.

d) Tangible capital assets:

Tangible capital assets, excluding land, transferred to the Agency as at April 1, 1999, are recorded at their estimated historical cost, less accumulated amortization. Construction in progress are not amortized. When projects are substantially completed the costs are transferred to the appropriate asset category and amortization is initiated. The estimated historical cost of the assets was established by deflating the current replacement cost to the year of acquisition or construction using factors based on changes in price indices over time. This approach also took into consideration the overall asset condition and the cost of any improvements and major repairs since the original acquisition or construction of the tangible capital assets.

Tangible capital assets, excluding land, acquired after April 1, 1999, are recorded at cost. Tangible capital assets, excluding land, acquired at nominal cost or by donation, are recorded at market value at the time of acquisition and a corresponding amount is credited directly to the Equity of Canada. The tangible capital assets acquired with financial assistance from another government are recorded at their net cost. Improvements that extend the useful life or service potential are recorded at cost.

Amortization is calculated on the straight-line method using rates based on the estimated useful life of the assets as follows:

Asset	Useful life
Buildings	25-50 years
Fortifications	50-100 years
Leasehold improvements	2-10 years
Improved grounds	10-40 years
Roads	40 years
Bridges	25-50 years
Canals and marine facilities	25-80 years
Utilities	20-40 years
Vehicles and equipment	3-15 years
Exhibits	5-10 years

Acquired lands are recorded at historical cost. Crown lands acquired as a result of Confederation or the subsequent joining of a province or territory are recorded at a nominal value. Donated lands are recorded at their estimated market value at time of acquisition with a corresponding amount credited directly to the Equity of Canada.

e) Collections and archaeological sites:

Collections and archaeological sites are recorded at nominal value.

f) Employee future benefits:

(i) Severance benefits:

The Agency accrues its obligations and the related costs as the benefits accrue to employees. The Agency's liability for employee severance benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. Employee severance benefits liabilities payable on cessation of employment represent obligations of the Agency that are normally funded by future years' appropriations.

(ii) Pension benefits:

The Agency's employees participate in the Public Service Pension Plan administered by the Government of Canada. Both, the employees and the Agency contribute to the cost of the Plan. The contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Agency. The Agency is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

g) Services received without charge:

Services received without charge from other Government departments are recorded as operating expenses at their estimated fair value. A corresponding amount is credited directly to the Equity of Canada.

h) Provision for environmental clean-up:

The Agency records a liability for environmental clean-up in situations where the Agency is obligated or is likely to be obligated to incur costs related to the remediation and removal of contaminated material from environmentally contaminated sites, and the cost can be reasonably estimated following a detailed environmental assessment. If the likelihood of the Agency's obligation to incur these costs is not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

i) Revenue recognition:

Entrance fees, recreational fees, rentals and concessions, other operating, townsites and staff housing revenues are recognized in the year in which the goods or services are provided by the Agency. Funds received for future services are recorded as deferred revenue.

j) Measurement uncertainty:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Employee-related liabilities, estimated useful lives of tangible capital assets, cost of tangible capital assets transferred to the Agency as at April 1, 1999, environment-related liabilities and claims are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

3. Cash Entitlements

The Agency operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF.

Included in cash entitlements are the following:

a) General operations account:

Cash Entitlement for general operations represents the amount of cash that the Agency is entitled to draw from the Consolidated Revenue Fund of the Government, without further appropriations. As at March 31, 2007, the balance of the general operations account is \$60.5 million (\$62.6 million in 2006).

b) Specified purpose accounts:

Cash Entitlement for specified purpose accounts represents money received from external organizations

which must be used for the purposes for which they are received. As at March 31, 2007, the Agency has a balance of \$2.7 million (\$2.9 million in 2006) for specified purpose accounts.

c) New parks and historic sites account:

Since 2001-2002, the account was presented in the notes to the financial statements. In 2006-2007, the Agency reviewed the accounting treatment of the New parks and historic sites account. As per the Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, this account represents an asset for the Agency and a consolidated specified purpose account that should be recorded as Equity. Consequently, the comparative financial statements presented for the year ended March 31, 2006 have been adjusted. The effect of this adjustment is presented in the table below.

2005 - 2006

	As previously stated	Effect of the adjustment	Adjusted amounts
Statement of Financial Position			
Cash entitlements			
Specified purpose accounts	3,394	(463)	2,931
New parks and historic sites account	-	12,422	12,422
Deferred Revenue	13,066	(463)	12,603
Statement of Equity of Canada			
Balance at beginning of year	1,374,484	17,263	1,391,747
Change in cash entitlements	(23,857)	(4,841)	(28,698)
Balance at end of year	1,327,891	12,422	1,340,313

The Government of Canada includes in its receipts and expenditures the transactions of certain consolidated accounts established for specified purposes. Legislation requires that the receipts of the specified purpose account be earmarked and that the related payments and expenses be charged against such receipts. The transactions do not represent liabilities to third parties but are internally restricted for specified purposes.

Funds are provided to the New Parks and Historic Sites Account by parliamentary appropriations, proceeds from the sale of lands and buildings that are surplus to operational requirements and all general donations. Furthermore, the Minister of Finance, may, on the request of the Minister of the Environment, authorize the making of advances of up to \$10.0 million to the New Parks and Historic Sites Account. All amounts received remain in this account until eligible expenditures are made for the purpose of establishing or developing new parks or historic sites and heritage areas, in compliance with the terms and conditions set out in the *Parks Canada Agency Act* and related Treasury Board directives.

Details of activities for the year ended March 31 are highlighted in the following analysis:

	2007	2006
Available at beginning of year	12,422	17,263
Less:		
Reclassification of donated funds	-	(2,500)
	12,422	14,763
Receipts:		
Parliamentary appropriation	3,000	1,800
Proceeds on disposal of tangible capital assets	505	1,914
Donations	18	8
	3,523	3,722
Expenditures:		
Capital expenditures	2,043	5,617
Contributions	-	446
	2,043	6,063
Available at end of year	13,902	12,422

4. Inventory of Consumable Supplies

The inventory of consumable supplies as at March 31 consists of the following:

	2007	2006
Top soil, sand, gravel and other crude material	983	1,154
Stationery, office and miscellaneous supplies	863	515
Equipment, materials and supplies	755	822
Fuel and other petroleum products	695	723
Construction material and supplies	615	563
Printed books, publications and maps	584	534
Fabricated wood and metal products	404	393
Safety equipment	190	398
Uniforms and protective clothing	149	192
	5,238	5,294

5. Tangible capital assets:

	Closing historical cost as at March 31, 2006	Net additions ⁽¹⁾ for the year ended March 31, 2007	Closing historical cost as at March 31, 2007	Accumulated amortization as at March 31, 2007	Net book value as at March 31, 2007	Net book value as at March 31, 2006
Buildings, fortifications and leasehold improvements	763,068	17,726	780,794	475,150	305,644	307,052
Improved grounds	582,713	8,296	591,009	493,274	97,735	110,630
Roads	955,499	43,878	999,377	607,715	391,662	365,059
Bridges	152,410	2,274	154,684	83,218	71,466	71,801
Canal and marine facilities	542,437	4,368	546,805	266,671	280,134	284,397
Utilities	175,176	6,947	182,123	96,142	85,981	83,311
Vehicles and equipment	124,102	5,901	130,003	97,966	32,037	29,433
Exhibits	101,213	3,640	104,853	89,223	15,630	14,314
	3,396,618	93,030	3,489,648	2,209,359	1,280,289	1,265,997
Land (Note 2d)						
-Acquired land	134,156	2,706	136,862	-	136,862	134,156
-Crown land	1	-	1	-	1	1
-Donated land	19,892	-	19,892	-	19,892	19,892
	154,049	2,706	156,755	-	156,755	154,049
Total tangible capital assets	3,550,667	95,736	3,646,403	2,209,359	1,437,044	1,420,046

⁽¹⁾ includes all acquisitions, dispositions and write-offs in the year.

The Agency owns over 27 million hectares of land, the majority of which comprise the 42 national parks and national park reserves representing 28 of the 39 natural regions of Canada. During the year, the Agency spent \$2.7 million (\$2.7 million in 2006) on the acquisition of land. The total cost of tangible capital assets includes \$98.6 million (\$67.5 million in 2006) of construction in progress.

6. Collections and Archaeological Sites

Core to the Agency's mandate to protect and present nationally significant examples of our cultural heritage is the management of collections and archaeological sites. Although not capitalized like other cultural assets such as buildings or fortifications, these treasures have inestimable cultural value.

a) Collections:

The Agency manages collections that are made up of archaeological and historical objects.

The collection of archaeological objects includes specimens and records that represent a cross-section of human habitation and activities. These holdings consist of a range of functional groups of artifacts that represent domestic activities to industrial processes and includes tools, ships' fittings, as well as soil and botanical samples.

The collection of historic objects dates from the 10th century to the present day. They encompass ethnographic material, civilian, military and fur trade items, furniture and furnishings, tools and documents.

In addition, the Agency manages a collection of reproductions including period costumes, tools and furniture that have been copied from original objects or made based on historical data.

b) Archaeological sites:

An archaeological site encompasses surface, subsurface, or submerged remains of human activity. Archaeologists define a site by identifying the different activities that were conducted within an area. There are many archaeological sites identified within Canada's 157 national historic sites, 42 national parks, and 2 marine conservation areas. The types of sites vary greatly, from Aboriginal villages, hunting camps, observation areas, and animal processing areas, to European fur trade and military posts, battlefields, shipwrecks, homesteads, and transportation and industrial sites.

7. Deferred Revenue

Included in the deferred revenue total of \$12.2 million (\$12.6 million in 2006) is an amount of \$9.5 million (\$9.7 million in 2006) representing the balance, at year end, for entrance fees, recreational fees, and rentals/concessions fees collected in advance.

The remaining \$2.7 million (\$2.9 million in 2006) of deferred revenue, represents monies received from other organizations which must be used for specified purposes.

8. Employee Future Benefits**a) Severance benefits:**

The Agency provides severance benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations. Information about the plan, measured as at the statement of financial position date, is as follows:

	2007	2006
Accrued benefit obligation, beginning of year	49,648	42,900
Cost for the year	8,093	10,156
Benefits paid during the year	(3,712)	(3,408)
Accrued benefit obligation, end of year	54,029	49,648
Short-term portion	4,507	3,953
Long-term portion	49,522	45,695
	54,029	49,648

b) Pension benefits:

The Agency and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The Agency's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2007	2006
Agency's contributions	30,459	32,840
Employees' contributions	12,691	13,638

9. Contingencies

a) Claims:

In the normal course of business, claims have been made against the Agency. The current best estimate of the amount likely to be paid in respect of these claims and potential claims has been recorded. The total contingent liability amount related to these claims has been estimated at \$14.2 million (\$9.2 million in 2006), excluding interest, for alleged damages and other matters. In the opinion of management, the position of the Agency in all of these actions is defensible.

b) Provision for environmental clean-up:

The Agency has identified 365 sites that are known or suspected of contamination. Based on the information available and detailed studies conducted thus far on 341 of these sites, the Agency has estimated and recorded a liability of \$40 million (\$36.8 million in 2006). The Agency has estimated additional clean-up costs of \$135.2 million (\$137.6 million in 2006) that are not accrued, as these are not considered likely to be incurred at this time. The Agency's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. These liabilities will be accrued in the year in which they become known.

c) Classification Review:

In 1999, the Agency initiated a national classification review which has as its objective to correct inconsistencies in how positions are being classified and compensated when employees are performing similar duties. This initiative is still underway and currently the Agency cannot assess with certainty the full impact of this initiative on its operations. At this time, management has recorded a liability based on its best estimate. Actual results may differ significantly from the current estimates and any impact of these changes or additional amounts will be reflected in the period it is known and determinable.

10. Summary of Expenses by Major Classification

	2007	2006
Salaries and employee benefits	335,522	322,103
Amortization	83,026	82,099
Professional and special services	57,735	55,339
Utilities, materials and supplies	50,209	42,704
Transportation and communication	29,559	27,875
Accommodation received without charge (Note 13)	15,494	15,528
Rentals	13,548	10,397
Grants and contributions	12,273	11,223
Payments in lieu of taxes	11,295	11,296
Repairs and maintenance	8,400	9,251
Information	6,289	6,317
Environmental clean-up	4,439	15,966
Net loss on disposal of tangible capital assets	1,126	-
Miscellaneous expenses	380	4,598
	629,295	614,696

11. Summary of Revenues by Major Classification

	2007	2006
Entrance fees	51,877	45,801
Recreational fees	21,676	20,877
Rentals and concessions	17,822	16,186
Other operating revenues	6,502	9,221
Townsites revenues	2,710	2,909
Staff housing	2,408	2,392
Net gain on disposal of tangible capital assets	-	18
	102,995	97,404

12. Parliamentary Appropriations

a) Appropriations used:

	2007	2006
Appropriations voted:		
Vote 30 - Program expenditures	500,115	429,394
Vote 35 - New parks and historic sites account	3,000	1,800
Statutory appropriations:		
Revenue received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	107,496	100,417
Contributions to employee benefits plan	44,735	45,914
Total appropriations	655,346	577,525
Less:		
Amount available in future year	53,580	53,413
Current year appropriations used	601,766	524,112

b) Reconciliation of net cost of operations to current year appropriations used:

	2007	2006
Net cost of operations	526,300	517,292
Revenue received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	107,496	100,417
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Amortization of tangible capital assets	(83,026)	(82,099)
Services received without charge (Note 13)	(43,666)	(45,981)
Net (loss) gain on disposal of tangible capital assets	(1,126)	18
	(127,818)	(128,062)

Changes in accounts affecting net cost of operations but not affecting appropriations:		
Vacation pay included in the accounts payable and accrued liabilities	(523)	(608)
GST included in the accounts payable and accrued liabilities	(563)	(1,831)
Employee future benefits	(4,381)	(6,748)
Provision for environmental clean-up	(3,253)	(14,381)
	(8,720)	(23,568)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions and improvements to tangible capital assets	101,678	61,632
Proceeds on disposal of tangible capital assets	(528)	(2,182)
Change in prepaid expenses	1,934	3,516
Change in inventory of consumable supplies	(56)	(217)
Change in New Parks and Historic Sites Account	1,480	(4,716)
	104,508	58,033
Current year appropriations used	601,766	524,112

c) Reconciliation of net cash provided by government to current year appropriations used:

	2007	2006
Net cash provided by government	496,878	448,575
Revenue received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	107,496	100,417
Changes in accounts not affecting net cash provided by government but affecting appropriations :		
Accounts receivable	1,987	(1,340)
Accounts payable and accrued liabilities	(4,557)	(17,032)
Less : Vacation pay included in the accounts payable and accrued liabilities	(523)	(608)
Less : GST included in the accounts payable and accrued liabilities	(563)	(1,831)
Deferred revenue	(432)	647
New Parks and Historic Sites Account	1,480	(4,716)
	(2,608)	(24,880)
Current year appropriations used	601,766	524,112

13. Related Party Transactions

a) Transactions in the normal course of business:

The Agency is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms that would apply to all individuals and enterprises. The Agency entered into transactions with related parties for a total of \$100.1 million (\$62.1 million in 2006) for services provided by Government departments, including an amount of \$94.9 million (\$57.4 million in 2006) with Public Works and Government Services Canada mostly related to

architectural and engineering services for \$67.3 million (\$32.6 million in 2006) and Payment in lieu of taxes for \$11.3 million (\$11.3 million in 2006).

b) Services received without charge

During the year, the Agency received services without charge which are recorded at fair value in the financial statements as follows:

	2007	2006
Contributions covering employer's share of employees' insurance premiums and costs paid by Treasury Board Secretariat	21,122	20,046
Accommodation provided by Public Works and Government Services Canada	15,494	15,528
Services provided by the Department of Canadian Heritage for information management, information technology, finance, human resources and administrative support	3,864	7,510
Salary and associated costs of legal services provided by Justice Canada	2,366	2,255
Other services provided without charge	820	642
	43,666	45,981

14. Commitments

- a) The Agency has entered into agreements for leases of equipment and operating leases for accommodations for a total of \$9.8 million (\$10.3 million in 2006). The agreements show different termination dates, with the majority ending within the next twenty years. Minimum annual payments under these agreements for the next five years and beyond are approximately as follows:

2007-08	1,317
2008-09	731
2009-10	658
2010-11	598
2011-12	548
2012-13 and beyond	5,940

- b) The Agency has entered into contracts for operating and capital expenditures for approximately \$102.9 million (\$81.1 million in 2006). The majority of payments under these contracts are expected to be made over the next two years.

15. Comparative Figures

Some of the previous year's comparative figures have been reclassified to conform to the current year's presentation.

SECTION 5: UNAUDITED
MODIFIED CASH-BASED
FINANCIAL INFORMATION
2006-2007

Financial Tables

Table 1: Comparison of Planned to Actual Spending and Full Time Equivalents

(in thousands of dollars)

Program Activity	2004-05 Actual	2005-06 Actual	2006-2007			
			Main Estimates	Planned Spending	Total Authorities	Actual
Establish Heritage Places	19,101	23,017	26,090	26,285	30,881	22,716
Conserve Heritage Resources	177,602	185,848	215,622	218,900	225,035	207,772
Promote Public Appreciation and Understanding	90,499	70,259	68,081	70,739	82,188	78,120
Enhance Visitor Experience	177,025	194,415	196,804	199,589	202,819	189,598
Townsite Management	15,217	9,802	12,775	12,853	18,568	13,503
Throughway Management	38,859	51,357	58,682	59,070	95,856	92,906
Total	518,303	534,699	578,054	587,436	655,347	604,615

Total	518,303	534,699	578,054	587,436	655,347	604,615
Less: Non Respendable revenue	-	(15)	-	-	(12)	(12)
Plus: Cost of services received without charge	45,943	48,626	-	41,480	-	43,666
Net cost of Program	564,246	583,310	578,054	628,916	655,335	648,269

Full Time Equivalents¹	4,008	4,131	4,204			
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Totals may not agree due to rounding

¹ Source: FTE actuals - Salary Management System

Table 2: Use of Resources by Program Activity (in thousands of dollars)

2006-2007						
Program Activity	Budgetary				Total: Gross Budgetary Expenditures	Total
	Operating	Capital	Grants	Contributions		
Establish Heritage Places						
Main Estimates	25,266	801	23		26,090	26,090
Planned Spending	25,136	1,126	23		26,285	26,285
Total Authorities	28,952	1,790	23	116	30,881	30,881
Actual Spending	20,787	1,790	23	116	22,716	22,716
Conserve Heritage Resources						
Main Estimates	180,449	16,620		18,553	215,622	215,622
Planned Spending	182,727	16,620		19,553	218,900	218,900
Total Authorities	195,045	12,340		17,650	225,035	225,035
Actual Spending	185,274	12,340		10,158	207,772	207,772
Promote Public Appreciation and Understanding						
Main Estimates	59,589	8,303		189	68,081	68,081
Planned Spending	60,058	10,492		189	70,739	70,739
Total Authorities	75,250	5,224		1,714	82,188	82,188
Actual Spending	71,182	5,224		1,714	78,120	78,120
Enhance Visitor Experience						
Main Estimates	177,655	19,149			196,804	196,804
Planned Spending	163,981	35,608			199,589	199,589
Total Authorities	174,099	28,470		250	202,819	202,819
Actual Spending	160,878	28,470		250	189,598	189,598
Townsite Management						
Main Estimates	8,425	4,350			12,775	12,775
Planned Spending	8,503	4,350			12,853	12,853
Total Authorities	15,068	3,488		12	18,568	18,568
Actual Spending	10,003	3,488		12	13,503	13,503
Throughway Management						
Main Estimates	27,868	30,814			58,682	58,682
Planned Spending	28,256	30,814			59,070	59,070
Total Authorities	47,875	47,981			95,856	95,856
Actual Spending	44,925	47,981			92,906	92,906
Total Parks Canada						
Main Estimates	479,252	80,037	23	18,742	578,054	578,054
Planned Spending	468,661	99,010	23	19,742	587,436	587,436
Total Authorities	536,289	99,293	23	19,742	655,347	655,347
Actual Spending	493,049	99,293	23	12,250	604,615	604,615

Totals may not agree due to rounding

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006-2007 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
30	Program expenditures	428,730	438,112	500,116	449,384
35	Payment to the new Parks and Historic Sites Account	3,000	3,000	3,000	3,000
(S)	Expenditures equivalent to revenues resulting from the conduct of operations pursuant to section 20 of the <i>Parks Canada Agency Act</i>	100,000	100,000	107,496	107,496
(S)	Contributions to employee benefit plans	46,324	46,324	44,735	44,735
	Total	578,054	587,436	655,347	604,615

Totals may not agree due to rounding

Table 4: Contingent Liabilities

Contingent Liabilities	(\$ thousands)	
	March 31, 2006	March 31, 2007
Claims, Pending and Threatened Litigation	16,712	12,383
Total	16,712	12,383

This information represents action suits that have been commenced against the Government but they are not yet actual liabilities (as per Public Accounts).

Totals may not agree due to rounding

Table 5: Sources of Respendable and Non-Respendable Revenue (in thousands of dollars)**Respendable Revenue**

Program Activity	Actual 2004-05	Actual 2005-06	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Promote Public Appreciation and Understanding						
Heritage Presentation Programs	668	756	827	827	785	785
	668	756	827	827	785	785
Enhance Visitor Experience						
Entrance Fees	34,125	42,869	43,900	43,900	48,958	48,958
Camping Fees	13,842	14,578	17,611	17,611	14,748	14,748
Lockage and Mooring Fees	2,141	2,316	2,648	2,648	2,548	2,548
Pools	3,589	3,577	3,603	3,603	3,847	3,847
Other Recreational Fees	2,951	3,070	3,769	3,769	3,060	3,060
	56,648	66,409	71,531	71,531	73,161	73,161
Townsite Management						
Municipal Service Fees	2,659	2,663	2,676	2,676	2,716	2,716
	2,659	2,663	2,676	2,676	2,716	2,716
Other Revenue						
Real Property and business Fees	16,323	17,269	17,614	17,614	17,248	17,248
Miscellaneous	8,469	13,320	7,352	7,352	13,587	13,587
	24,792	30,589	24,966	24,966	30,835	30,835
Total Respendable Revenue	84,766	100,418	100,000	100,000	107,496	107,496

Non-Respendable Revenue

(\$ thousands)	Actual 2004-05	Actual 2005-06	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Non-Respendable Revenue	0	15	0	0	12	12
Total Non-Respendable Revenue	0	15	0	0	12	12

Totals may not agree due to rounding

Table 6: Details on Project Spending (in thousands of dollars)

Supplementary information on Project Spendings can be found at:

www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

Table 7: Details on Transfer Payment Programs (in thousands of dollars)

Supplementary information on the following Transfer Payment Programs can be found at:

www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp.

- Contribution in support of the Commercial Heritage Properties Incentive Fund;
- Historic Places Initiative Class Contribution Program;
- Cost Sharing Class Contribution Program; and
- General Class Contribution Program (GCCP).

END NOTES

- ¹ Paraphrased from a statement by the U.S. Interior Secretary, Dirk Kempthorne, in writing to President G. W. Bush in the Future of America's National Parks.
- ² 75% of Parks Canada's \$100 million in revenue is associated with three program activities (i.e. promote public appreciation and understanding, enhance visitor experience and townsite management). The remaining revenue is from real property and business fees and other miscellaneous sources. Actual expenditures and revenues presented are from modified cash-based financial information.
- ³ Defined as having heard, seen, read or talked about the respective program 'a lot' or 'somewhat' in the last year.

